

BANKING



VICTORY LOAN

CONSIDER THE TIME YOU SAVE....



When you call on Douglas-Guardian to work with you in arranging an inventory loan, you save time, footwork and paper details. A Douglas-Guardian operating man — because of his experience in field warehousing — can take many routine matters off your shoulders. Without being on your payroll, he works for you as conscientiously as one of your own employees. He sees each transaction through from the issuance of warehouse receipts to the complete repayment of the loan — co-

operating with you every step of the way and safeguarding the inventory which is your security.

Next time an inventory loan of \$10,000 or more will solve a customer's loan problem, send for the Douglas-Guardian operating man. Let him arrange to issue bona fide warehouse receipts *without moving inventory off the borrower's premises.*

We shall be glad to send you copies of "PROFITS ON YOUR PREMISES" for distribution to prospective borrowers.

DOUGLAS - GUARDIAN

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NEW ORLEANS 1, La., 118 North Front St.
NEW YORK 4, N. Y., 50 Broad St.
CHICAGO 3, Ill., 100 West Monroe St.
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CLEVELAND 14, Ohio, Union Commerce Bldg.
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LOS ANGELES 14, Calif., Garfield Bldg.
MEMPHIS 3, Tenn., Porter Bldg.
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TAMPA 2, Fla., 416 Tampa St.
EL PASO, Tex., 901 N. Ochoa St.
HARTFORD, Conn., 36 Forest St.

Just a Minute

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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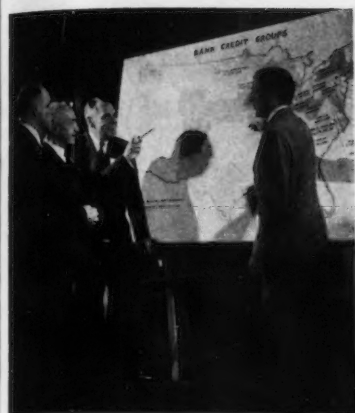


FIG. INC.

At the recent small business credit meeting in New York: *l. to r.* Walter B. French, head of the A.B.A. Consumer Credit Department; Hugh H. McGee, chairman, Credit Policy Commission; President Frank C. Rathje; and Robert M. Hanes, chairman of the Post-war Small Business Credit Commission. On page 38 there's a story about the meeting

Banking's Own

BANKING, remarked **ROBERT M. HANES**, at a recent conference of bankers in New York, has its own post-war product—the regional credit group.

These organizations (there are now more than 40 of them, with some \$650,000,000 in resources), were formed across the country to facilitate extension of credit to small business. They are, you might say, the backer-uppers of the credit line—that is, they step in to support the local bank and its city correspondent in making loans. They are distinctly a banking creation; in fact, their birthplace was the American Bankers Association.

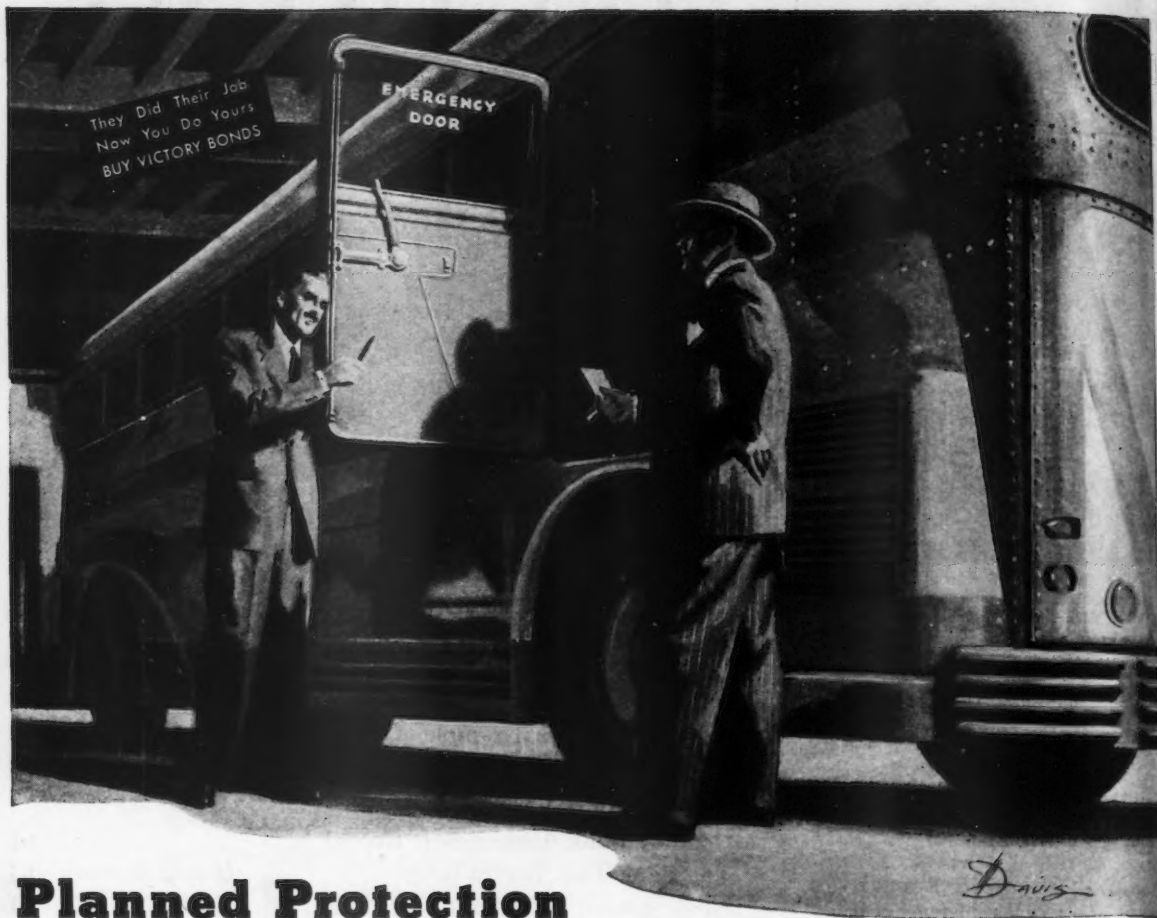
The conference at which **Mr. HANES** spoke was among members of the A.B.A. Post-war Small Business Credit Commission, the Association's Credit Policy Commission, and representatives of the groups. On page 38 you'll find a listener's view of that meeting.

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Planned Protection

Protective devices don't just happen. They come into existence through a definite safety need. Emergency Exits are today standard equipment for every bus that travels America's streets and highways. But it was not until the early 20's that forward-looking transportation men and bus manufacturers, working together to give the public the utmost in comfort, convenience and protection, brought this safety device into general use. » » Nor have we always had safety paper for checks. It was not until 1871, when it appeared that fraudulent alterations were reach-

ing alarming proportions, that George LaMonte invented safety paper. » » The story of George LaMonte & Son is typical of the American Tradition: the development of a product for which there was a real need... the continuing improvement of that product through research... the merchandising of that product so energetically and thoroughly that bankers everywhere learned of its value and advantages. » » And LaMonte Safety Paper has come down through the years—the recognized and established leader in the field of check production.

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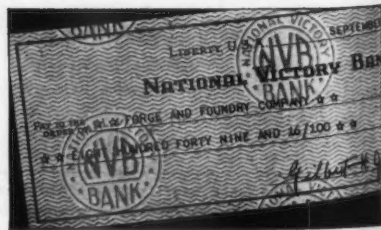
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Safety PAPER
NUTLEY, NEW JERSEY



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We supply many banks and business organizations with their own INDIVIDUALLY IDENTIFIED Safety Paper. The issuing organization's Trade-Mark is in the paper itself and appears on both the front and back of the check. Such INDIVIDUALIZED paper not only protects against fraudulent alteration but provides maximum protection against counterfeiting—saves Banks sorting time—helps prevent errors.



Frank Talk

It's on lending—small bank, small town lending, mostly—and it was talked in the town of Cambridge Springs, Pennsylvania, one day last month. BANKING's reporter for the occasion, CHARLIE ZIMMERMAN, also happened to be leader of the discussion and he took copious notes as well as some photographs. You'll find the results on page 33 in our "lead" article.

The conversation, it might be well to explain, was among some experts, to wit: Dr. MONTFORD C. JONES of The Graduate School of Banking faculty; JOHN H. LUCAS, Pittsburgh banker and consumer credit authority who has written for BANKING; EDMUND W. THOMAS, another well-qualified Pennsylvanian; and HARRY B. ("Punch") McDOWELL, of Sharon, also Pennsylvania. They discussed "Post-War Local Bank Lending and Its Various Phases," covering the trends in interest rates, co-operative lending, consumer and installment credits, and problems in lending to veterans. Reporter ZIMMERMAN sums up the discussion.

Speaking of Veterans . . .

Let's mention the article by WILLIAM POWERS, secretary of the A.B.A. Committee on Service for War Veterans, one of the groups that recently appeared before the Senate Committee hearing on suggested changes in the veterans' act.

Mr. POWERS reports on some of the bankers' activities in connection with helping GI's reconvent themselves. This committee has a big job and has done much work. Bankers will be interested in hearing about it.

England Buys a Bank

THE bank, of course, is the Old Lady of Threadneedle Street, concerning whose change of ownership there has been much in the press since Mr. Attlee's government took over.

This month BANKING's HERBERT BRATTER, just back from a visit of several weeks in Britain and Europe, offers pertinent observations on government banking in England.

We asked Mr. BRATTER for this just before he returned, and we suspect that he wrote part of it on the plane coming back.

A Little Old Lady

THIS is the story of a little old lady, a big bank's trust department, and a game.

The lady lives in a nursing home in a southern city. She hasn't many friends and, being alert and well-educated, she's eager for companionship. That's where the game begins.

She finds small excuses for calling up her trust officer: Will he please bring her the cash for a check? Will he please come up for a conference on this or that investment? Will he . . . ? He most certainly does!

Of course he knows the game, and comes prepared to listen to reminiscences and a recital of the little problems that complicate the life of a shut-in. Sometimes they talk about the book she's writing.

The trustman is able to help in practical ways. At the little old lady's request, he had made for her a "walker" that enables her to get about the home. "I hope to run a race with it in the near future," she wrote her banker friend. "I can't express my gratitude for the

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Officials with years of service in this field, assuring a knowledge of requirements and valuable assistance.

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To cooperate with out-of-town banks rather than compete for business which is rightfully theirs.

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"Me, have an account before? Why, I had one at the Federal Reserve Bank for half a decade!"





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Bankers are invited to call on our American offices to learn fully about the Bank's organized assistance for private industry and commerce.

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interest and help you have given in my getting it."

Sometimes the little old lady tires of a nursing home, and then the trustman is called upon to find her another place to live. He does that, too.

She seems quite satisfied with the service.

"Bank Knight in Arizona"

THAT's the title of a feature article in the November *American Magazine* on WALTER R. BIMSON, president of the Valley National Bank, Phoenix, Arizona.

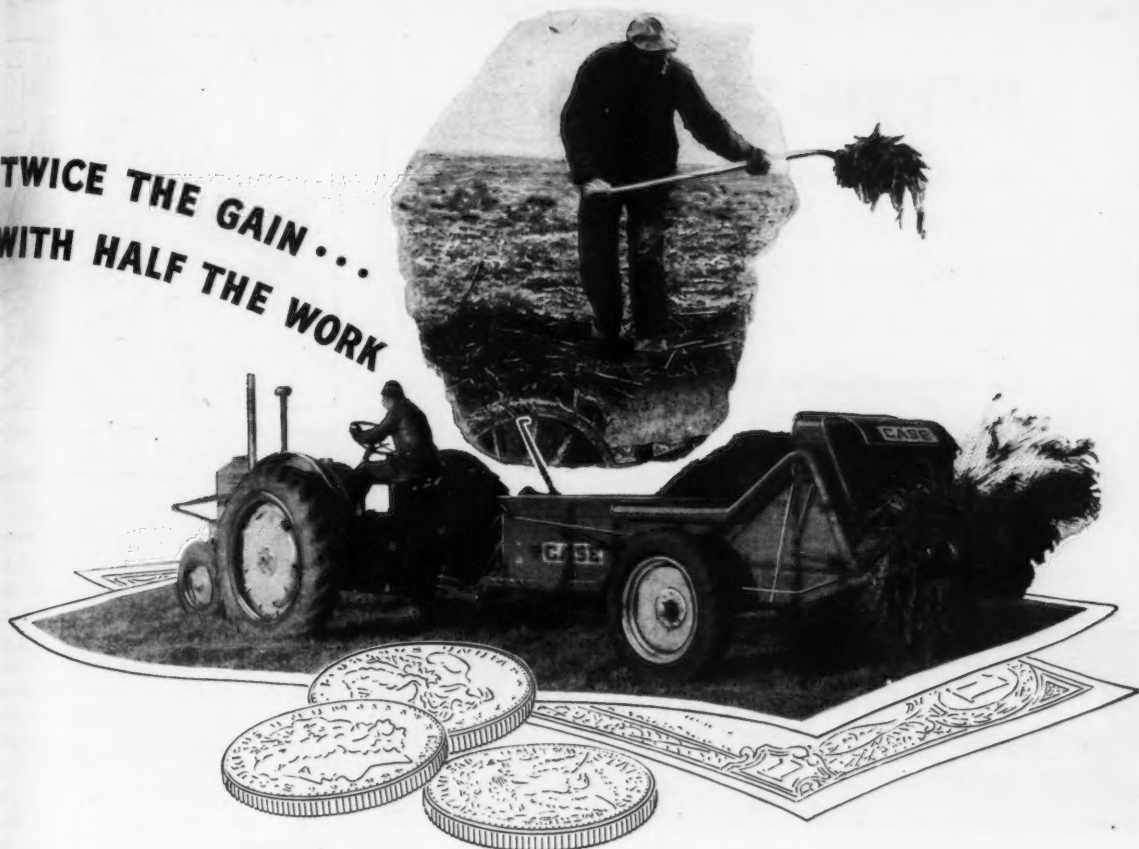
KEITH MONROE, the author, says that for 12 years Mr. BIMSON and his bank "have been changing the face of Arizona."

"He has set up thousands of wage earners in business, and nursed them along until their businesses were sturdy and solid. He has encouraged hundreds of tenant farmers to become independent farm owners, and shown them how to make a success of scientific farming. He's even made schoolboy loans to help youngsters get started in business.

"He has pushed electrification and modern plumbing into lonely desert settlements where children still studied their lessons by lanterns and wives still gathered mesquite wood for cook fires. He has helped make the 'Valley of Sunshine' territory a winter playground for tourists, and has persuaded countless wealthy visitors to stay and buy ranches

(CONTINUED ON PAGE 6)

**TWICE THE GAIN...
WITH HALF THE WORK**



That's What Your Money Does

From the days of ancient Rome farmers have known and preferred animal manures for enriching their soils. It remained for the agricultural experiment stations and the farm machinery industry of America to make manure do double duty in boosting crop yields.

Forked from a wagon with disagreeable drudgery, manure cannot be spread evenly nor made to cover a large area at all completely. Scientifically controlled tests revealed that the same amount of manure, spread very evenly, very thinly over much more acreage, brought twice the total gain in yields.

By its amazing uniformity of spread at light rates of application, the Case tractor spreader makes thin spreading effective. By its rubber-tired, tractor-powered speed it makes practical the covering of double or treble the acreage. By banning the drudgery of hand spreading

and by lessening the labor of loading into its low box it halves the man-hours needed.

Humble as is the duty of the spreader, it stands high in desirability for bank financing. Its annual return in labor saved and yields boosted is high; its annual depreciation is low. Indeed, there is a special opportunity for bankers to encourage the replacement of old spreaders, still serviceable, with swifter, handier tractor spreaders.

From experience that began more than a century ago, before there were banks able to serve agriculture, this company is keenly aware of the indispensable place of the local bank in every farming community. Both the company and its dealers believe that such banks have a right to the business of financing farm machinery sales and inventories. J. I. Case Co., Racine, Wis.



CASE



PARTNERS IN PROMOTING ADVANCED FARM PRACTICES

BUYING POWER

The per capita expenditure in Buffalo in 1943 was \$1,013 as compared with the over-all United States figure of \$871.

The Marine Trust Company has aided the development of Buffalo business since 1850.

Member of Federal Deposit Insurance
Corporation



MARINE TRUST COMPANY

Buffalo's Oldest and Largest Commercial Bank

THE SALES JOB IS COMING UP

Back in 1921 salesmen were falling by the wayside because they had become soft during the "seller's market" which came to an abrupt end in 1920. The difference between refusing business in 1919 and scrambling for it in 1921 brought out the weaknesses and strength of men who had to make a living selling. History repeats itself, and it may not be long before we who sell for a living may have to fight for what we get. To be conscious of that now is to be prepared for the challenge.

Throughout the past four years DeLuxe people have never been allowed to forget that the best way to get orders in after the war was to get them out during the war. Our best postwar salesmen are the people in our plants who have kept their

thoughts focused on service during this long, trying period. We are not too smug about the deliveries we have been making, but we are mighty grateful for the effort and if by chance our men in the field are successful in meeting the postwar challenge, it will, in large measure, be because the people in the plants backed them up when they needed it most.

We hope our sales staff will soon be back in the field doing the work they like to do. We await impatiently those who have been on leave with the armed forces and we are anxious to release for full-time sales work those who have remained on the job and who have spent so much of their time in work clothes helping us to fulfill our service obligations.

De LUXE
CHECK PRINTERS

Manufacturing Plants at:

NEW YORK, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL

JUST A MINUTE—Continued



"After working all evening on our budget, you come home with a bonus!"

and farms. He has sent emissaries all over the country to bring new businesses, Army bases, flying schools, branch factories, government housing, and other wealth-producing operations into the desert. And he is already laying finely detailed plans to make Arizona bloom in the post-war period as never before."

The article features the bank's service to small borrowers, and reports that in 11 years the Valley National has made 198,000 instalment loans. A unique project is its Saturday Morning Bank which finances school children who raise livestock and crops. The bank also has carefully worked out plans for its employees who return from the armed forces.

Opportunity

FROM the New York office of the War Production Board comes this letter which BANKING gladly passes on to its readers:

"The end of the war," wrote WPPB Regional Director JOHN A. WARNER, "has terminated many of the activities of the War Production Board, thus making possible the release of business and professional men and women who have unselfishly remained with the board until their tasks were completed.

"We are anxious to help these persons relocate themselves, and to that end request your cooperation by running the attached release in your publication.

"Perhaps some of your subscribers or advertisers need trained and thoroughly trustworthy personnel. If so, they will be promptly serviced by this office."

The release says that bankers, certified public accountants, market analysts and other financial specialists who have been serving the board are now available to private industry. They "have

(CONTINUED ON PAGE 11)

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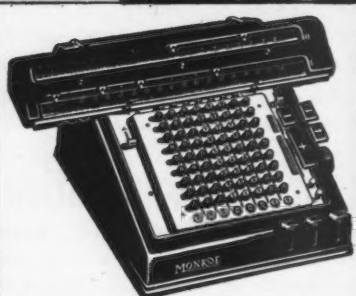
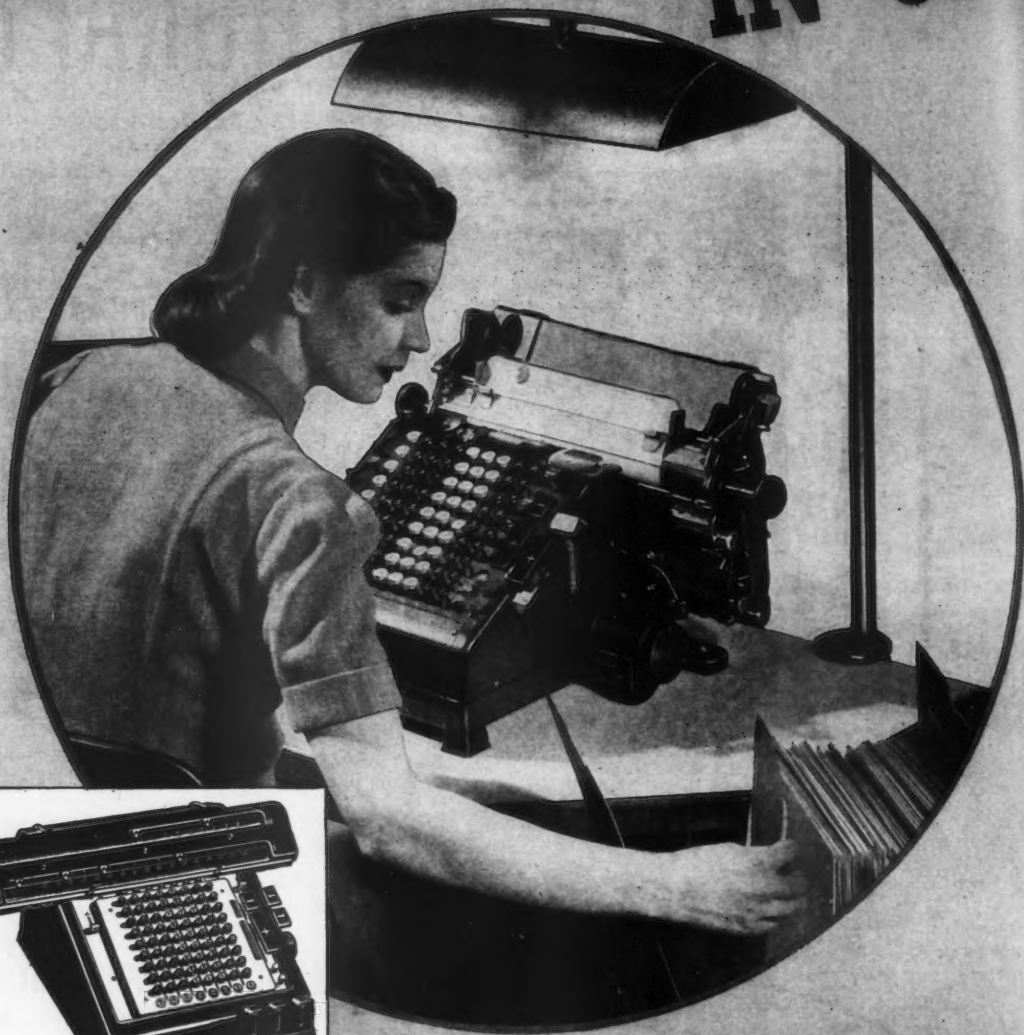
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STATEMENT OF ACCOUNT
WITH

MONROE
NATIONAL BANK
AND TRUST COMPANY

1142 Broadway Store, Etc.
101 North Main St.
Hartfordville

CHECKS	DEPOSITS	DATE	NEW BALANCE
125.34	34.43	JAN 27	429.56
23.50	129.65		
50.75	328.73		
	780.00	JAN 28	887.93

JOURNAL

OLD BALANCE	CHECKS	DEPOSITS	NEW BALANCE
000	000	000 JAN 28	000
100.00	35.00	125.00 JAN 28	130.00
300.00	30.00	135.50 JAN 28	370.50
429.56	125.34	750.00 JAN 28	887.93
	23.50		
	50.75		

OLD BALANCE
CHECKS
DEPOSITS
NEW BALANCE

000	000	000	000
100.00	35.00	125.00	130.00
300.00	30.00	135.50	370.50
429.56	125.34	750.00	887.93
	23.50		
	50.75		

MONROE'S EXCLUSIVE "PROOF PAY" GIVES DUAL PROOF

DEPOSITS PROVED AND CONTROLS ESTABLISHED SIMPLY

NOT DEPOSITED TO THE CREDIT OF

John Doe
ON THE
MONROE
BANK & TRUST COMPANY
JAN 27 1948

PLEASE CHECK EACH CHECK SEPARATELY

CHECK	DEPOSIT	CASH
100.00	3.22	000
25.00	18.73	000
10.00	10.00	000
22.50	110.00	000
110.72	110.00	000
507.23	396.51	000

MANUFACTURING CORP.
NO. 12423
DATE DEC. 30 1947
103.00 JAN 27 1948

Monroe Bank
JAN 27 1948

AND TRUST COMPANY
January 2 1948 No. 513

Frank L. Marshall

TOTAL OF DEPOSIT
CASH DEPOSITED
CHECKS DEPOSITED
AUTOMATIC PROOF

000	000	000	000
3.22	18.73	103.27	125.00
10.00	110.00	110.00	110.00
22.50	110.00	110.00	110.00
110.72	110.00	110.00	110.00
507.23	396.51	000	000

AUTOMATIC PROOF OF EACH DEPOSIT
AUTOMATIC DETECTION OF ERROR
CORRECTION OF ERROR
TOTAL TELLERS CASH
TOTAL DEPOSITS
TOTAL CHECKS
AUTOMATIC PROOF

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Monroe Adding-Listing Machine. Available with narrow or wide carriage, single register or grand total. Direct plus and minus bars, "Velvet Touch" action, live operating keys.

1000

Benjamin Franklin
923 Third Way
Hartfordville

WITHDRAWALS	DEPOSITS	DATE	NEW BALANCE
1000.00	250.00	DEC 1947	250.00
2000.00		JAN 28	1100.00

JOURNAL

OLD BALANCE	WITHDRAWALS	DEPOSITS	NEW BALANCE	PROOF
000	000	000 JAN 28	000	000
1500.00	2000.00	750.00 JAN 28	1300.00	1300.00
1624.2		85.30 JAN 28	1385.30	1385.30
233.75			1385.30	1385.30
538.27	2000.00	100.00	618.27	618.27

SAVINGS WITHDRAWAL

ACCOUNT NUMBER

DATE

130.00

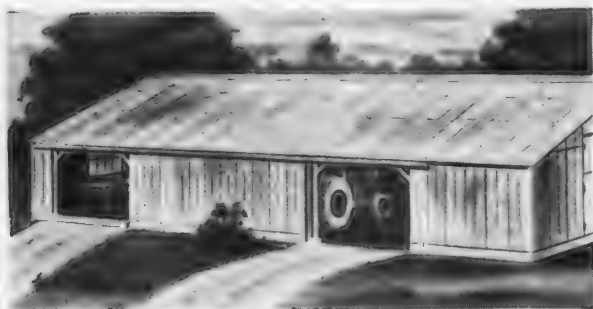
STEEL BUILDINGS GIVE BETTER SERVICE



THEY ARE A

*Good
loan risk!*

Steel is especially good for round structures like grain bins, silos and hay keepers. It performs well under tension. Also protects from fire, lightning, severe weather, rodents and thieves. Steel buildings cost less for upkeep, last longer.



This modern, steel-covered machinery shed will reduce depreciation of expensive equipment by giving secure protection from rain, snow, fire and lightning. The comfortable, compact workshop at one end of the shed is an inducement to make repairs in bad weather.



This cattle shed is ideal for beef cattle shelters. It is economical and protects both livestock and stored feed from rain, wind, fire and lightning. Being steel, it's strong and long-lasting. Maintenance cost is low. Periodic painting is the only outside attention ever needed.

THE well-equipped farm is the productive, money-making farm. The owner of such a farm is a good banking risk. And this is especially true if he modernizes with steel. Steel resists fire, lightning and severe weather. It offers safe, longer-lasting protection to crops, livestock and valuable tools. From the increased returns that high-speed machinery and efficiency-designed buildings make possible, the farmer can repay loans promptly. The farmer who plans to modernize with steel is planning a sound business. He is worth your attention and consideration.

A round-roof hay barn offers more storage space in relation to side wall and roof area. Such barns are more easily built of steel. Steel retains its strength, lasts years longer. This steel building, designed for greater efficiency, will boost output, increase profits.



UNITED STATES STEEL
Presents **The
THEATRE GUILD
On The Air**
Every SUNDAY EVENING
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COLUMBIA STEEL COMPANY, San Francisco
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UNITED STATES STEEL

had repeated contacts with many trades and businesses during their association with the board, thus expanding their knowledge of industry as a whole." Moreover, "they have mastered the technique of cooperation between business and government," an asset that "will become increasingly valuable to any firm, particularly during the reconversion period."

Although the case thus presented applies specifically to personnel at the New York regional office, people in other WPB offices, it might be assumed, are likewise available for employment.

Moving Day

THE A.B.A. is moving.

On or about December 1 the address of the Association will be 12 East 36th Street, New York City, whither it is going from 22 East 40th Street.

To provide needed space for the staff's widely ramified activities, the Association has taken the entire ninth floor of the Combustion Engineering Building. The new quarters provide 20 per cent more area than the old.

This is A.B.A.'s third move in 71 years. It has been at the East 40th Street address for nearly 15 years.

Vol. I No. 1

WHAT should turn up, in the process of preparing for the move, but a set of Vol. I, JOURNAL OF THE AMERICAN BANKERS ASSOCIATION, predecessor of BANKING.

The old numbers, still in their grey wrappers, may not be collector's items, but they are, as the saying goes, not without interest.

No. 1 is for July 1908. The editor and founder of the Journal, the late THOMAS B. PATON, general counsel of the Association, wrote an appropriate



Experienced Foreign Banking Service in

CUBA *and throughout the* WEST INDIES

We offer banks and business firms interested in foreign trade, an experienced "on the spot" banking service in Cuba, and throughout the West Indies. Long established branch offices assure you of valuable assistance.

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Two branches in London, England

Complete foreign banking service in all parts of the world

New York Agency—68 William Street

THE ROYAL BANK OF CANADA

Incorporated 1869

HEAD OFFICE—MONTREAL

Branches in Canada
from Coast to Coast



Resources exceed
\$1,700,000,000

Depositors are grateful for *ThriftyCheck*

LOW COST CHECKING SERVICE



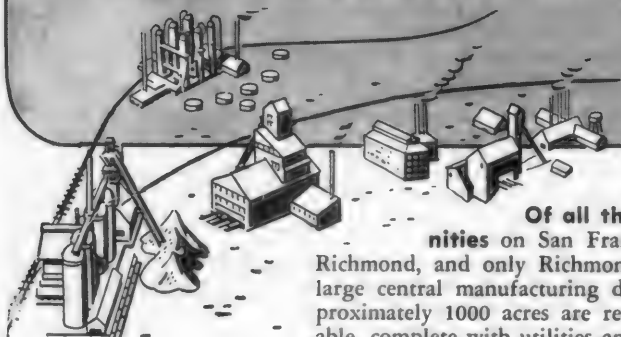
Bank customers thoroughly enjoy the privilege and prestige of mailing personalized ThriftyChecks for their bills, instead of the inconvenience of paying by cash. This appreciation is a splendid builder of profit and good will for any bank offering the ThriftyCheck plan, and CREATES NEW BUSINESS for other departments. Write us about other ThriftyCheck advantages — to depositors AND TO THE BANK.

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Over 71% of the Pacific Coast can be served more cheaply from Richmond than from extreme Southern or Northern points.



Richmond has quintupled in population during last 5 years.

Of all the communities on San Francisco Bay, Richmond, and only Richmond, offers a large central manufacturing district. Approximately 1000 acres are readily available, complete with utilities and other facilities. Land may be obtained in large or small units, at a decided saving in time and money.

Available land is level, firm of foundation, and sold complete with sewers, gas mains, water and electric lines. Construction costs, due to the character of the land, are low. And the basic price of industrial acreage is far less than in comparable communities.

Richmond is the largest tonnage port on the Pacific Coast—served by 2 main transcontinental railways—and located on express highways. Labor is here . . . readily available. And climate is cool the year 'round, for higher productivity. For economical manufacturing, and speedy low cost distribution, over 80 manufacturers have selected Richmond!

WRITE FOR THIS FREE BOOK

Clear, concise, factual . . . this book should be in the hands of every manufacturer considering a West Coast location. It's free. Write on your business letterhead.

RICHMOND CHAMBER OF COMMERCE
DEPT. 101 • RICHMOND, CALIFORNIA

Richmond, California

Largest tonnage port
on San Francisco Bay



Largest industrial area
on San Francisco Bay



foreword. After stating that the publication had been launched as a channel for keeping members informed of A.B.A. work, Mr. Paton added:

"In a broader sense, this JOURNAL will be devoted to an exposition of the principles and practice of banking and finance. Banking is a science, and the ascertainment and application of true principles to its conduct is necessary and vital to commercial prosperity and the welfare of the entire people. In the discussion and statement of general principles of banking and of the principles of law and established customs governing banking conduct, its effect will be educational and the results, it is hoped, beneficial."

The 38 pages of No. I contain no pictures. The first article is "Recognition by Congress of the Principles of Asset Currency," by A. Barton Hepburn.

November

If THIS department signs off on a rather sere note, the fault is not its but THOMAS HOOD's. He wrote:

*"No warmth, no cheerfulness, no healthful ease,
No comfortable feel in any member—
No shade, no shine, no butterflies, no bees,
No fruits, no flowers, no leaves, no birds,
November!"*

Perhaps we should add that this chilly salute to the year's eleventh hour is used as our tail-piece with proper apologies to California, Florida and other climes more fortunate in their Novembers!

JOHN L. COOLEY

"All right, Jones, you're here to examine the bank, not Miss Schrader's eyes!"



BANKING

SKILL TO DO . . .

Comes of Doing



IN OFFERING a program of assistance and cooperation to correspondent banks, the Philadelphia National believes its broad experience in participation with other banks in loans to local enterprises particularly valuable at present.

Since "skill to do comes of doing" our experience, covering many industries, enables us to offer practical cooperation with correspondent banks, not only with local loans, but particularly in the participation in contract termination and reconversion loans. These services are supplemented by our ability to obtain credit information of unusual accuracy and timeliness.

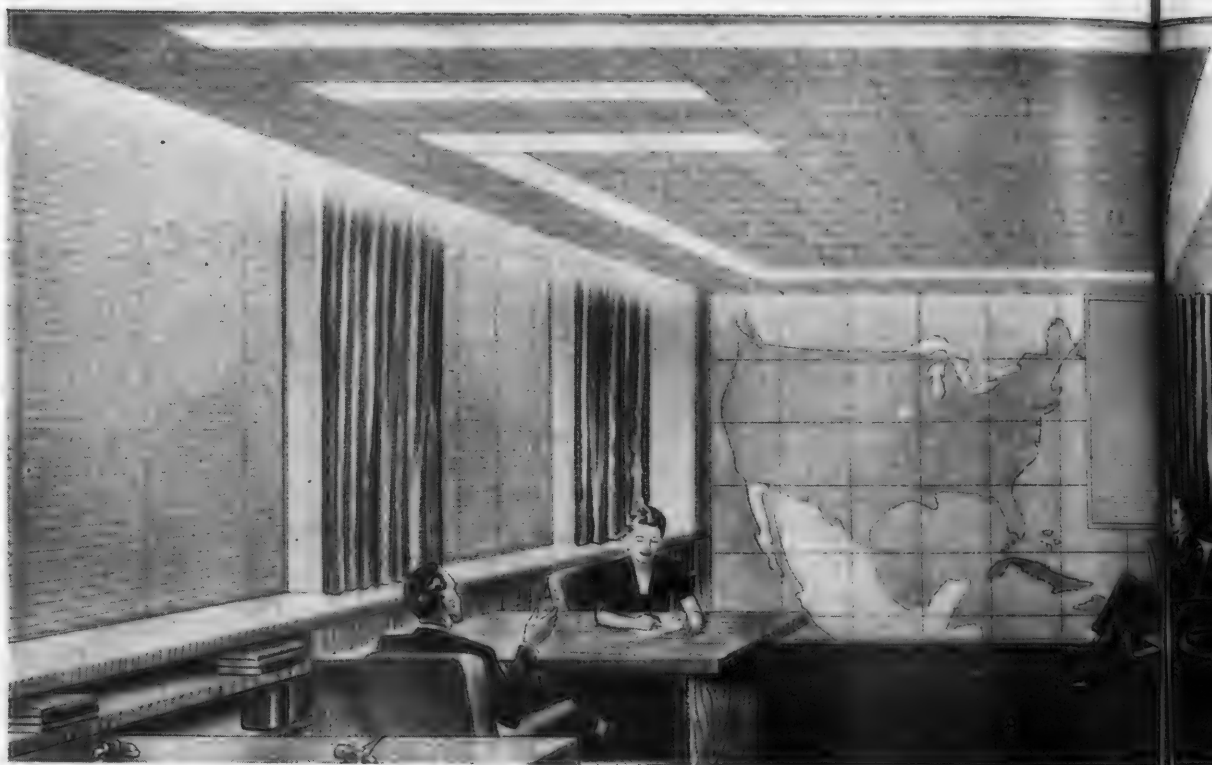
We will be pleased to explain just how our experience and ability to work with correspondent banks can be of definite value to your institution. Your inquiries are invited.

THE PHILADELPHIA NATIONAL BANK

PHILADELPHIA 1, PA. ★ ORGANIZED 1803

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

SEEING is the biggest t



... and G-E Lamps lead the way!

Whether you're trying to sell an impression of your company or merchandise off the shelf, G-E lamps can help you make more effective use of eyes and seeing. Take a look at these suggestions for adding to the efficiency and comfort of a private office.

Overhead G-E fluorescent lamps in recessed troffers provide cheerful light throughout the room, with a concentra-

tion of light over the desk area. This makes for fewer errors, greater alertness.

Along wall tops, G-E Slimline lamps fit into compact coves to provide pleasing light tone on walls for greater eye-comfort.

Find out how G-E Lamps can help with better seeing for better work throughout your offices.

Hear the G-E radio programs: "The G-E All-Girl Orchestra" Sunday 10:00 a. m. EWT, NBC; "The World Today" news, Monday through Friday 9:45 a. m. EWT, CBS; "The G-E Hourly Party," Monday through Friday 4:00 p. m. EWT, CBS.

st thing in Selling



BUY MORE
WAR BONDS

The Constant aim of
General Electric Lamp Research
is to make G-E Lamps
Stay Brighter Longer

GE LAMPS
GENERAL  ELECTRIC



This attractive, modern dry cleaning sales office has walls and ceilings of beautiful Douglas fir plywood. Curved counter treatment is accomplished with plywood, too, for this versatile "miracle wood" can be easily bent to simple curves without steaming and without the use of special tools.

No. 9 of a Series

Versatility is the Keynote when Walls are Finished with Douglas Fir Plywood

The design possibilities of Douglas fir plywood are almost endless. The illustration above suggests one use of the "miracle wood" — for walls, ceiling and fixtures in a modern dry cleaning sales office. The walls feature a two-panel treatment, arranged horizontally.

When planning walls of Douglas fir plywood, follow these basic principles: (1) start at the openings with vertical joints and divide the plain wall spaces in an orderly pattern for the most pleasing effect; (2) use vertical joints at top and

bottom of windows and at top of doors as shown in figures A, C and G; (3) when width of door or window is over four feet, do not hesitate to place the panels horizontally as in figures B and E, for combinations are successfully used in the same room; for special patterns or patterns made up of small panels, sheath with 5/16" or 3/8" Plyscord and apply the finish panels as desired.

For additional technical data, see Sweet's File for Architects or write the Douglas Fir Plywood Association.

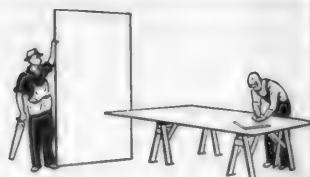
CAN PLYWOOD BE SPECIFIED NOW FOR POSTWAR USES?

The increased capacity of the industry will make MORE Douglas fir plywood available for civilian consumption **THAN EVER BEFORE**, as soon as the needs of the armed services lessen or war restrictions are lifted. There will be no reconversion delays; the same types and grades of Douglas fir plywood that are now being made can flow immediately into peacetime building and construction.



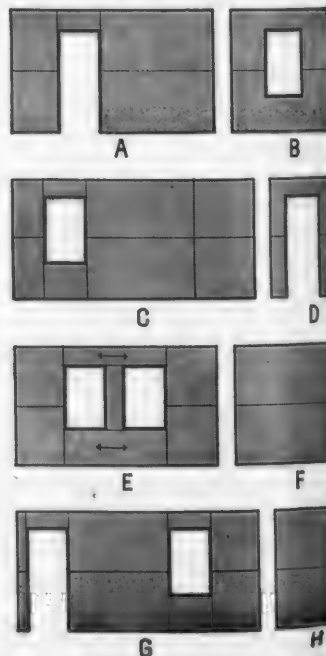
DOUGLAS FIR PLYWOOD ASSOCIATION

Tacoma 2, Washington



There are three grades of Douglas fir plywood panels made especially for various phases of wall construction. PLYWALL is made especially for standard wallboard use; PLYPANEL is a premium panel used for quality interior work; PLYSCORD is a utility panel made for wall and roof sheathing.

Simple Suggestions For An Attractive Wall Design With Plywood



This Company is sittin' Pretty

MILLARD C. FAUGHT



POPLITEALS?

ONCE THERE WAS A SMALL BUSINESS

Current interest in credit for small business carries a reminder that most businesses once were small. This story, another in BANKING's series, is a case in point.



You should be kinder to your popliteals. If you were, your feet wouldn't go to sleep. And if you don't agree—or if you don't know who or where or what your popliteals are—you can consult any one or all of these sources: your dictionary, your doctor, or the American Seating Company.

We'd recommend the latter authority because the dictionary will tell you that your popliteals are just a couple of hams (which is rather insulting); and your doctor will give you a lot of polysyllabic conversation about femoral arteries, sciatic nerves and the outer condyle of your tibia; but the American Seating Company will get right down to cases on the subject because the happiness and welfare of the nation's collective popliteals is its business.

But we're 'way ahead of our story, so rest your popliteals (which are the backsides of your legs just above your knees) on a comfortable chair and read all about the problems of being the world's largest manufacturer of seats.

The American Seating Company is a progressive, dignified and successful enterprise, with a big plant in Grand Rapids, Michigan, where during the

war, parts for attack bombers, Thunderbolts, troop-carrying gliders and other military items such as gun mounts and rocket castings were made. But in peacetime great numbers of seats were, and will be, built for theaters, stadiums, churches, buses, and school rooms.

And if you think a seat's just a seat and so what, you ought to see what goes on in this factory, even in peacetime. In fact, old Gaius W. Perkins and William Hess and Seymour W. Peregrine who started the original Grand Rapids School Furniture Company back in 1887, ought to see what goes on.

BUT we are still about one lap ahead of our story, because Amasco didn't get scientifically interested in people's popliteal nerves until it had overcome a lot of far more prosaic business problems. Chief among these was how to make a going concern out of some 26 small semi-solvent furniture companies scattered over the United States from Bloomsburg, Pennsylvania, to Portland, Oregon.

The original company had been capitalized with \$100,000 of Grand Rapids money and fitted into the busi-

ness patterns of the era where moderate sized factories served a market set largely by transportation limitations. But apparently the educational needs of a sparsely settled county were not enough to keep many school furniture companies going. By 1899 plans were proposed to salvage some 18 furniture plants, making such "auxiliary lines" as bank fixtures and carpet sweepers, under the dubiously secure wing of the American School Furniture Company. The consolidation was effected with the aid of a \$1,000,000 bond issue, but seven years of the "federated" operation put such a strain on working capital that a further reorganization was needed.

This time a \$900,000 bank loan plus \$200,000 in additional working capital from company directors were necessary. But what was of more significance (and this is a factor which has salvaged many a company at critical periods in their growth) Thomas M. Boyd, the new president of the company, took advantage of the move to get the organization "back on the beam." That is, he began to eliminate units manufacturing such stray products as carpet sweepers, and instead started a trend toward con-



FINANCIAL PROBLEMS AHEAD?

Four problems which may face your business now or later are:

1. *Reconversion*
2. *Consolidation*
3. *New product and market development*
4. *Modernization of plant*

Our Underwriting Department can help you in the following ways:

1. *Develop plans for financing*
2. *Help in preparation of registration statements*
3. *Underwrite bonds, preferred or common stocks*
4. *Arrange for private or public sale of securities*
5. *Prepare plans for recapitalization*
6. *Negotiate consolidations*
7. *Appraise securities*
8. *Aid in listing securities on stock exchanges*

These are only a few of the functions of our Underwriting Department. We invite you to consult with a Partner at the nearest Hornblower & Weeks office.

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centration on a single major product—public seating.

In addition to this policy of simplifying product lines, an intensive period of plowing profits back into better capital equipment was begun. Some profits were also absorbed in the short run to offset disposal of uneconomic units scattered about the country. But long run gains were achieved by the more efficient concentration and expansion of facilities in Grand Rapids.

Says Harry M. Taliaferro, who has been with American Seating for 35 years and president for 15: "It took a certain type of nerve to keep putting hard earned profits into a program of plant elimination, especially during a period when many business experts were preaching decentralization."

BUT results have vindicated the company's wisdom of concentrating both product line and production facilities. It is perhaps an adequate commentary on the efficiency and capacity of the resulting plant to note that in a single wing of one building during the war, Amseco built four million folding chairs for the Army. Asked General Bill Knudsen during a wartime visit to the plant, "What do the soldiers do, sit on one chair and put their feet on another?"

Another factor which has played a key role in America's growth was the recognition that a nation which was maturing its culture would be a great potential market for public seating. That is, theater, stadium, church, school, and transportation seating. Accordingly, Amseco set out not only to sell public seating but to do something about improving it. In spite of the fact that the "chair" has been a symbol of "authority" for centuries, very little had been done to make it comfortable as well as "authoritative."

Coincident with its plan of consolidating and improving its production facilities, Amseco began an intensive program of product research. Over the years its laboratories have grown larger

BANK LOAN OF COURSE!



and its testing machines more numerous and complex.

It was such posture research which led to Amseco's engineers' interest in people's popliteals. They simply wanted to know why a poor seat made one's feet go to sleep. Out of their research came the comfortable chairs which kept the audience so relaxed in New York's vast Radio City Music Hall, in Grandman's Chinese Theater in Hollywood, in famous theaters in London, Johannesburg, Bombay, Cairo, Manila, and in hundreds of neighborhood movie houses in the United States.

Amseco's research has had some extraordinary, if accidental, results. Brooks Atkinson once devoted two hilarious columns of commentary in the *New York Times* to dispassionate discourse on Amseco's efforts in behalf of the popliteal. On another occasion Walter Winchell and the *New Yorker* magazine got all stirred up over the fact that Amseco's research has shown that under-the-seat hatracks were more of a menace than a convenience to theater patrons. This "what became of the hat rack" episode even reached the point of discussing the bad effects of parker chewing gum on people's go-to-meeting hats. Everybody had fun and Amseco got lots of publicity—all out of product research.

Amseco's engineers have also inquired into why little boys squirm

(CONTINUED ON PAGE 23)





Lights flash to Green on big consumer credit "buy-way"!

Watch for heavy traffic on the great consumer "buy-way"—almost immediately. Through the War, people all over the country have been waiting to buy new cars, as well as new homes, new home appliances and furnishings. The day they've waited for is practically here! In Detroit alone, plans are laid to produce 6,000,000 autos annually to supply the demand.

A recent survey shows that 737,000 of

State Farm Mutual's 1,100,000 preferred-risk policyholders want to buy cars right away. Most of these will be financed. For months, State Farm's 6,000 agents have been directing their policyholders to local cooperating banks for credit.

Is your bank ready for this tremendous new business? You can get your share—if you're prepared. Hurry! Read how *your* bank can profit!

NEW "BUY-WAY" LEADS TO PROFITABLE NEW BUSINESS FOR BANKS! STATE FARM POLICYHOLDERS WANT 737,000 CARS!

FINAL EDITION

6 Million Autos Annually Predicted for Detroit Area!

A postwar survey in the Detroit metropolitan area reveals that a record production of 6,000,000 autos a year can be expected after reconversion, with a minimum of unemployment.

This compares with a previous high of 5,000,000 vehicles at an average of 3,500,000.

The survey anticipates 1,000,000 more cars in 1946. Reproduction of 7,000,000 of cars.

the survey indicates that reconversion, on an average of three and a half years.

Newest Goal 500,000 Cars by Year's End

Lifting of auto restrictions will bring half a million new passenger cars onto the market this year, it was estimated today by motor experts. Automobile manufacturers have been putting long-range conversion programs into effect with the greatest of dispatch. 6,000,000 cars.



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Gentlemen:

Please send us, without obligation, your FREE booklet, "New Profit Opportunities for Banks," explaining the State Farm Bank Plan, and including the results of your recent survey of your policyholders' postwar buying plans.

Name.....

(Bank)

Address.....

City.....Zone.....State.....



How to **WAKE UP** "Sleeping" Inventory

—AND SEND IT TO WORK AS LOAN COLLATERAL

ALL TOO often business men who need more working capital are unaware of the loan value of their marketable inventory.

The Lawrence Warehouse Company offers your inventory loan department a 3-way "alarm clock" to wake up this profitable "sleeper."

First — Lawrence advertises to your top prospects. They're the industries that represent the big potential volume for inventory loans. Lawrence ads explain how inventories may be field warehoused on the borrower's premises with the warehouse receipts accepted by

banks and other lending agencies.

Second — Lawrence has just issued an explanatory booklet, "Field Warehousing on Your Premises." It is free—and we will gladly send you a supply for distribution to your customers.

Third—for the desks of your loan officers, Lawrence has produced a free and fully detailed booklet "Inventory Financing."

Phone or write our branch office in your territory—and take advantage of Lawrence's 30 years of Field Warehousing experience.

LAWRENCE WAREHOUSE COMPANY *Field Warehousing* FOR BANK LOANS ON INVENTORY

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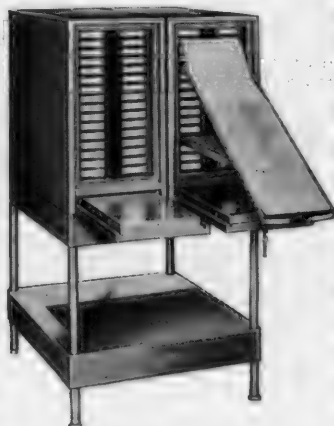


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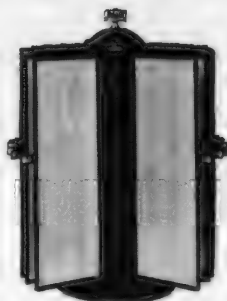
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STEEL LEDGER TRAYS
for Machine Posted Records



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for Fast, Accurate Reference



DELIVERIES of steel equipment necessarily follow the sequence in which orders are received. Under present conditions, prompt decision is suggested.

**It's good business
to combine
Equipment VALUE
and
Methods ECONOMY!**

War production experience taught us new facts about performance, structural strength, refinement of design... and we have put them all into new and improved steel office equipment, now in production!

This is the time to combine the long-term investment value of steel housing and record-protection with more efficient record-control methods. Many improved systems, especially

developed to speed production of war materials, can now be applied advantageously to increase peacetime operating efficiency.

Talk over your requirements with a Systems Technician. He can point out opportunities to economize with modern steel equipment, simplify administrative control and obtain important record-keeping savings.

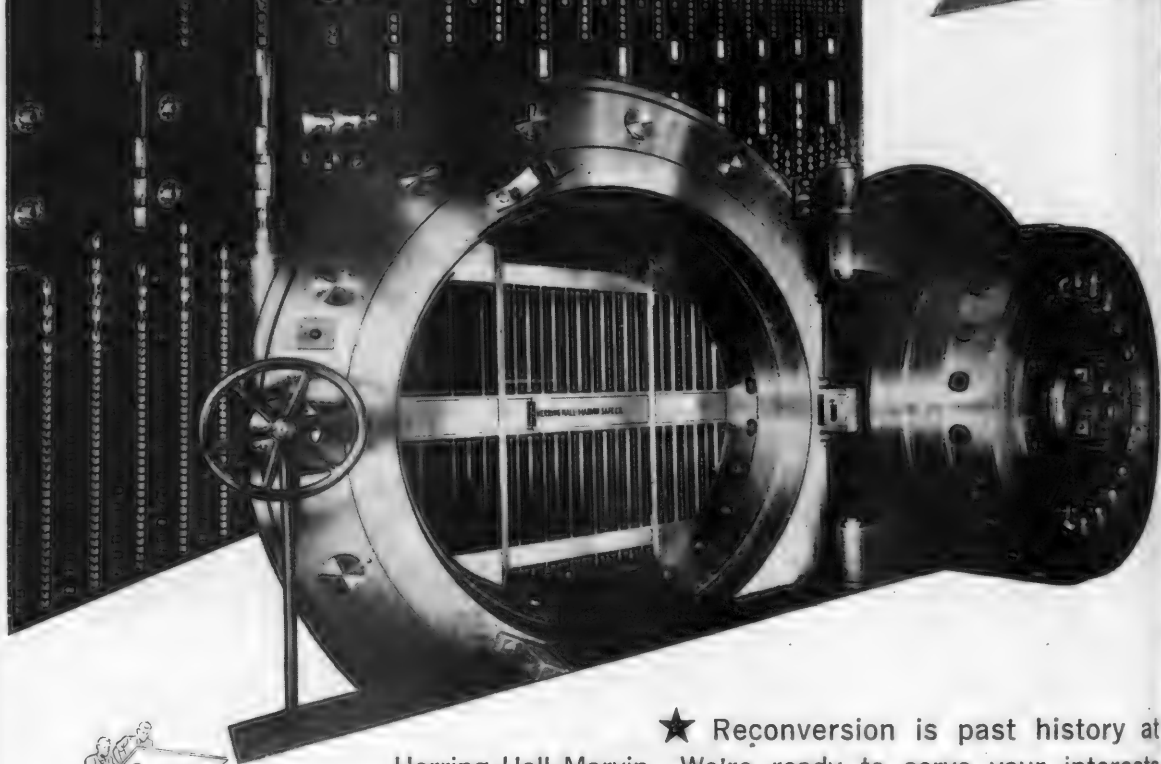
Just call our nearest Branch Office.

**SYSTEMS DIVISION
REMINGTON RAND**

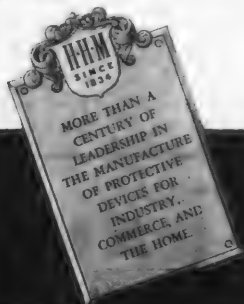
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If you are in a hurry, telephone 3600 Hamilton, Ohio or your nearest Herring-Hall-Marvin branch office. The counsel and services of our engineers are now at your disposal. We will pay the charges on any call from any banker any place in the United States. That's indicative of the new and broader scope of Herring-Hall-Marvin cooperation.

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This Company Is Sittin' Pretty—Continued

much in their school desks. Some years ago the company hired a professor, H. D. Bennett of William and Mary College, who had written a full length book on child posture, to devote his time exclusively to this pedagogical-physiological problem.

Research in seating comfort has even led Amseco's engineers to the interesting question of why people sleep in places where they are not supposed to on Sunday—with resulting improvements in the company's church seating.

In order to give dignity and authentic beauty as well as comfort to its ecclesiastical furniture, Amseco has, for years, retained the services of Alois Lang, a famous master carver from Oberammergau in Bavaria to design the company's products for edifices of worship.

During the war the company turned its research and production attention to such problems as building and improving seats for airplanes, tanks, etc. It also produced thousands of "pack-boards," a curved plywood holder for the heavy loads carried by soldiers.

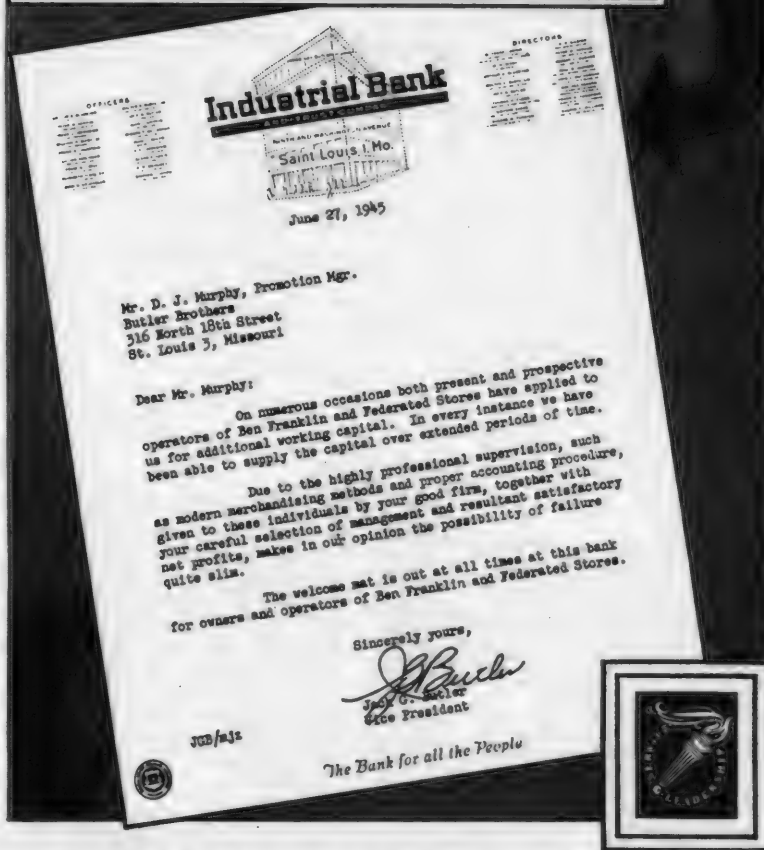
Now that victory has come, the American Seating Company has turned back to producing products for more pleasant purposes. Still a moderate-sized company, it believes that more business and more jobs can be created out of the desires of people to be comfortable while they work, ride, learn, worship, or relax in comfortable seats.

Amseco's history points a sound business moral, namely, that a company does not have to be large to take full advantage of product research. Writers on the "special" problems of small business hold forth at length on their inability to do research. Sometimes the handicap is more apparent than real, because, as Amseco's experience shows, much product research can be done by asking one's self obvious questions and then seeking the most obvious answers. One visit to a museum will show that over the centuries man has devised a sequence of insufferably uncomfortable devices known generally as "chairs." Possibly a major reason for this prolongation of discomfort was that it hadn't occurred to anyone that an item as prosaic as a chair could be fundamentally improved. By contrast, much of Amseco's business success stems from the simple belief that, even in the miraculous twentieth century there is still a lot that we don't know about the lowly chair.

November 1945

FOR BANKERS ONLY

In the pages of this magazine we have been telling you the story of Butler Brothers Distributor Stores setup and what it means to thousands of Ben Franklin and Federated Store owners, their communities and banks. This time we're letting a bank's vice president express his opinion. Here is his letter.



What the Industrial Bank refers to as "modern merchandising methods," "proper accounting procedure," and "careful selection of management" is all explained in a brochure prepared for bankers only, entitled, "Danger—Men Dreaming." For your free copy write today to Butler Brothers, Dept. BKG, Randolph and Canal Streets, Chicago 80.

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Vice President

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FIRST WISCONSIN NATIONAL BANK
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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

A SLIGHTLY inebriated lady on the afternoon before Christmas asked for a loan "to celebrate with." "What collateral do you have?" inquired the cashier. "Collateral?" "I mean, what security have you?" "Security? Ain't got no security 'cept my Social Security card!"

We were hiring a girl. It was her first job and filling out her withholding tax certificate, we said, "Now, Eleanor, as you are a single girl, you have no exemptions on your taxable income." Tearfully she asked, "Do you mean I won't get any money for myself?"

Many people want to open joint accounts on an "is you is or is you ain't" basis, retaining control of the account, yet having someone delegated to draw on it with their permission. One day an elderly, peevish-looking colored woman escorted a frightened-looking daughter-in-law to this department. Her son, serving over seas, and his wife wanted a joint account. "But," said the old woman, "he wants this account joint, but fixed so's she kain't draw on it less'n he says so."

We explained that joint accounts were either joint or not joint—there couldn't be any "sometimes" about it. The mother-in-law didn't like it. She glared at the young woman, who rolled her eyes in apprehension. Finally she pounded on the desk and bitterly said, "Now, you look here! He was my boy a long time before he was your husband!" Turning to the clerk, she ordered, "You make that a joint account in both'n their names and then you give ME the book to keep!"

BELLE S. HAMILTON

The politician who keeps his ear to the ground may limit his vision.

Our government is one of checks and balances, that is, checks on our balances.

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Write for Complete Details

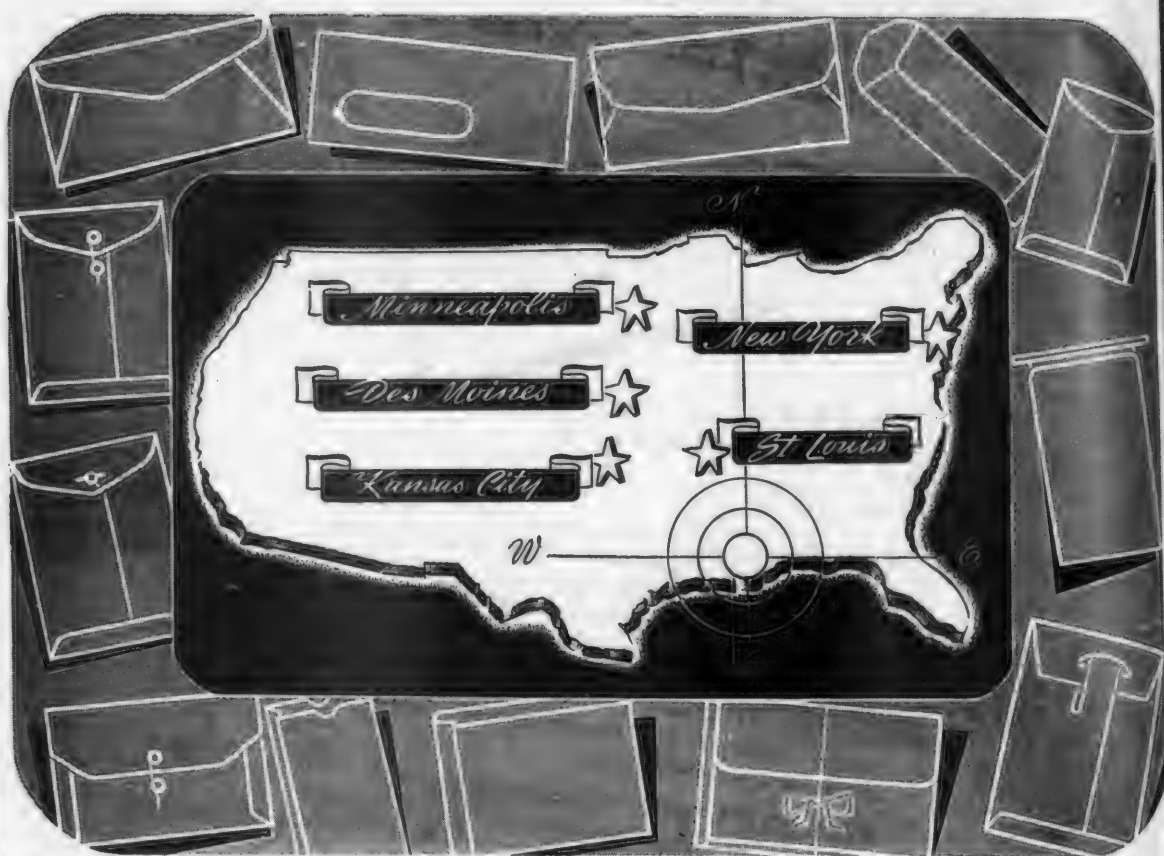
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Tension trained representatives are established in 40 important cities across the land, eager and able to help you with your envelope problems. TENSION KNOWS HOW to make better envelopes for every business need, including filing and packaging as well as mailing.



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An Important Message to **PURCHASERS OF AUTOMOBILES**



Do you know that through cooperative steps taken by local banks and insurance agents and brokers you may finance and insure your new automobile with a minimum of red tape, pay your insurance premium at the same time, and so help to keep this business "at home" where you and your community will be the beneficiaries?

Indications are that 3,000,000 or more new cars will be needed to meet the initial demand of American families for car replacements. Insurance agents and most bankers in your community are planning to handle the insurance and the loans. You will deal with people you know. You can choose your own insurance and exactly the insurance you want and need.

Our agents are prepared to show you how simply the "Bank and Agent Auto Plan" works. Before buying, ask our agent or your own broker.

Dependable

As America

AMERICAN SURETY COMPANY

100 BROADWAY • NEW YORK



NEW YORK CASUALTY COMPANY

AGENTS AND BROKERS EVERYWHERE



***the machine that helped
make skylines . . .***



now serves small buildings, too

The gearless elevator machine, first designed by Otis Elevator Company, was the result of a demand for faster and more efficient vertical transportation in tall buildings.

During the past 43 years, the smooth, quiet performance, and the economical operation of this machine have earned it universal recognition and acceptance. For these reasons, many Architects and Engineers today specify Otis Gearless Elevators for *smaller buildings* — whenever performance of outstanding quality is required.

Stores, Hospitals, Hotels, and many other buildings — whether of a few stories or many — can now benefit by the life-

long operating smoothness and efficiency of Otis Gearless Elevators.

Otis representatives are ready now to cooperate with Architects and building owners . . . to recommend the equipment best suited to individual needs. For the finest in vertical transportation tomorrow, call your Otis representative **TODAY.**





The Good Old Daze

MR. COPELAND, from his observation post in Randolph, Vermont, writes nostalgically of banking before it had "nozzled down to the drabber affairs of human existence."

BANKING was a stunning profession when the present national banks were invented to absorb a bond drive on the heels of the Civil War. It was a day of 6 per cent government bond coupons, short-filler cigars, striped breeches and frock coats. And the little red brick banks themselves, just about the size of a two-car garage—well, you should have worked in one of them. No dark-browed crew of Federal bank examiners ever walked in on you and sealed the cash chest with government stickers straight from Washington. No, just one examiner came. He was usually an ex-lawyer and politician who had grabbed off the examiner job which was considered one of the state's plummiest political plums. For one whole day he would sit on a stool and whistle hymn tunes, and at 3 o'clock let out a sigh and depart.

If he happened to blow in on a Monday he hardly examined at all; there was too much outside the window to examine. Monday was "Cattle Day." Across the village square walked droves of iron-minded hogs and bulls with veils of sacking over their eyes and copper rings in their noses. Hardly were you behind the safety of the bank counter on Cattle Day morning before there was a "spat" such as can be delivered only

FRED O. COPELAND

by a barrel stave. It was a sign the first pig had escaped while being loaded across the tracks at the freight house. Following the first "spat" there would come a stream of language so penetrating you simply had to look out of the bank window to learn what powerful-lunged parson was reading from the Scriptures. And from the bank window you could see them coming, the pig picking up speed and pounding along at a good 60 miles an hour whilst the herdsmen, red in the face and waving barrel staves, buzzed out into end-runs to flank the quarry. Sometimes a pig, itself, couldn't resist standing stock-still to enjoy the hysterical bedlam going on around it.

MANY an enormous hog from the village outskirts slowly waddled with grunts of annoyance up Main Street. Starting as a one-hog, one-driver proposition, it gathered male adherents on the way until it became a procession of village citizens. So large a cortege may have aroused the hog's suspicion he was on the way to bacon. Either this or the smell of iron made every hog come to a stubborn stop at the edge of the railway tracks crossing Main Street.

After several fruitless "spats" and the discovery that the hog had really "set," the leading patriarch of the procession would stamp his heels into the dirt, then sit down in front of the hog's eyes, lay hold on its ears and order

the nearest villager to wind up the hog's tail. When the tail-wind approached a certain number, eagerly but fearfully awaited by the breath-holding spectators, the patriarch would begin pulling forward on the hog's ears, and the animal would let out an alarmed squeal so piercing it 'made you taste lemon clear behind the bank window. It was so filling a squeal to the gentleman whose chin almost rested on the hog's snout, his eyes would spread in amazement and stay so for the remainder of the day.

THE hog was now pronounced definitely "set." This called for a sure-fire mover. Some one was sent for a bushel basket. When this enormous mask arrived it was merely held over the hog's entire head, and the animal was nudged. Strange as it may seem, the now willing hog instantly led the cortege across the railway tracks to the cattle pens.

Those in the little banks had to learn to keep their presence of mind. There were always yeggs about. When a circus came to town in Summer the bank closed. It was too dangerous to keep open.

Yeggs studied the little banks with persistent cunning. On the pretext of getting a bill changed, one of their scouts would come in to acquaint himself with the vault, which was no more than a cash chest. It was common practice for the workers, usually two, to stand in the way to obscure the view and glare boldly at the intruding customer.

INDUSTRY, TOO, HAS *Discovered* TENNESSEE



Industrial engineers for some of the Nation's largest manufacturers have recently "pioneered" Tennessee opportunities. They discovered:

Abundant TVA electric power at the lowest rate in eastern America . . . An unsurpassed variety of major industrial minerals and agricultural products . . . Huge coal reserves making possible economical steam-power generation . . . An inexhaustible supply of industrially suitable water . . . An inland waterway system of three great rivers for low-cost transportation to Midwest, Gulf, and World ports . . . A central location permitting 24-hour delivery to more than 51% of the Nation's population . . . Excellent railway, highway, and airline transportation . . . Cooperative skilled and semi-skilled native-born labor . . . An opportunity for low-cost assemblage of raw materials or manufactured parts . . . Uncongested plant sites near basic materials, river and rail terminals . . . Ideal living conditions for both employer and employee . . . A sound State tax structure. No personal earnings or sales taxes . . . A State and municipal government friendly to industry.

Manufacturers interested in meeting changing conditions, increasing population shifts, and postwar competition should investigate Tennessee now.

Write for specific information and surveys relating to your particular requirements. Ask for illustrated book: "Tennessee—Land of Industrial Advantages."



Tennessee Department of Conservation
765 State Office Bldg. Nashville, (3) Tenn.

Investigate TENNESSEE

Each day the bank closed for an hour at noon, enabling the workers to go home at midday where there was liable to be a strawberry shortcake solid crimson with tiny wild field strawberries and capped with a bonnet of whipped cream that leaned sidewise in sheer fright of falling off.

At 10 o'clock each morning the "cash" was settled; it gave you all the rest of the day to hunt for an "over" or "short," and enabled you to gallop gleefully out of the door on the stroke of three instead of beginning the cash settlement at three and hunting till six or nine, or midnight, according to the best American banking gospel of the present.

THE 3 o'clock get-away taught one life's greatest secret: not to confuse living with making a living.

If it was Summer there was time to walk over to Moore's spattering brook and switch out a mess of speckled trout that looked mighty inviting the next day when browned on a platter. And if it were Autumn it was no trouble at all to step into Sargent's woods and fetch home a brace of partridges that brought you home at a lively clip the next noon to savor the wild white breasts along with grape jelly and a mug of sparkling cider.

No, banking, like almost everything else, has nozzled down to the drabber affairs of human existence.

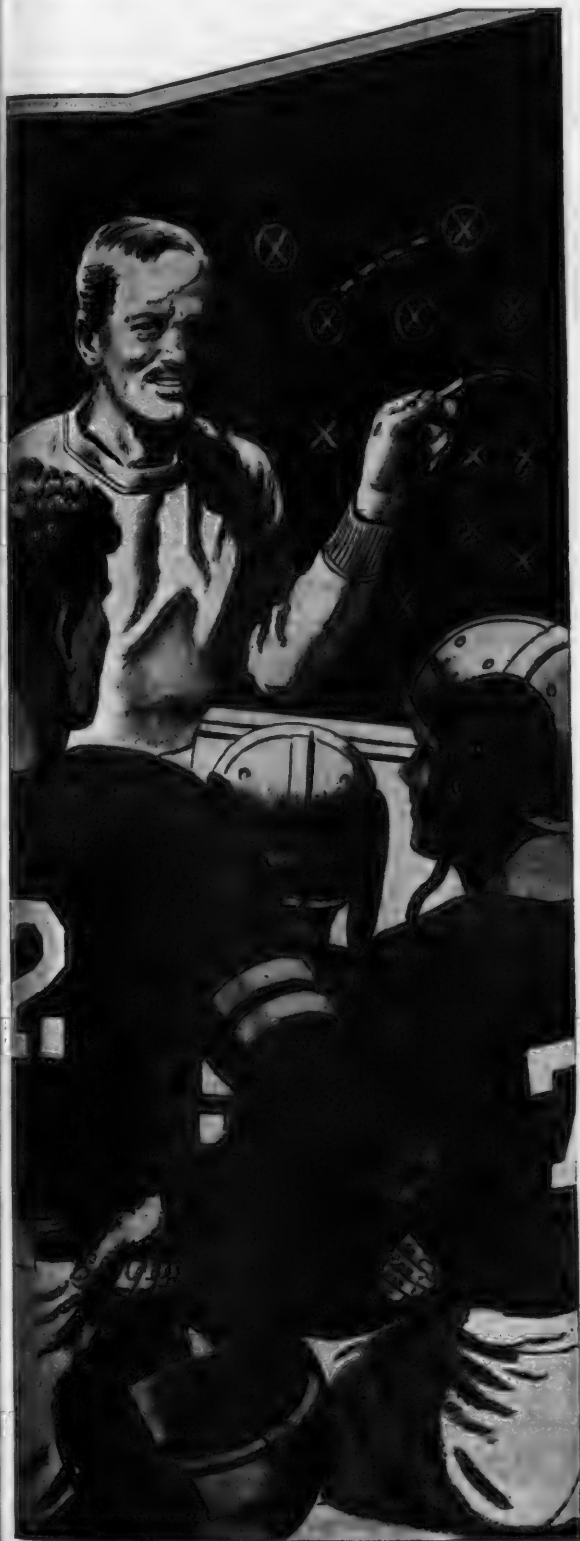


"Did you have to buy that turkey on your lunch hour, Fenton?"



BANKING

YOU'RE ON THIS TEAM!



Make sure you know all the plays



The Bank and Agent Automobile Financing Plan puts banker and insurance agent on the same team. Working together, you can make big gains. But first, you must be sure you know all there is to know about this plan.

May we call your attention to two new and very important manuals? Here are their titles, and the addresses where non-members of either association may purchase copies:

- 1** "Serving The Millions," a complete Bank-Agent Plan manual for the insurance man. Write National Association of Insurance Agents, 80 Maiden Lane, New York, N. Y.
- 2** "Direct Automobile Loans to Purchasers and Owners," a detailed manual for bank personnel. Write American Bankers Association, 22 East 40th St., New York, N. Y.

We believe that all insurance agents and bankers should read *both* of these manuals, for they give a complete outline of the plan in all its phases.

We'd like to send you five free bulletins, published by The American Insurance Group, describing Bank-Agent Plans which have worked — and worked successfully — as well as other Bank-Agent Plans now being formulated.

There's no cost or obligation for these five free bulletins. Just clip and mail the coupon below. Do it today, for this plan promises to be one of the important developments in modern banking and insurance history.

THE American Insurance Group

Newark 1, New Jersey

The American Insurance Company • Bankers Indemnity Insurance Company • The Columbia Fire Insurance Company • Dixie Fire Insurance Company • The Jersey Fire Underwriters

FIVE FREE BULLETINS! CLIP AND MAIL THIS COUPON

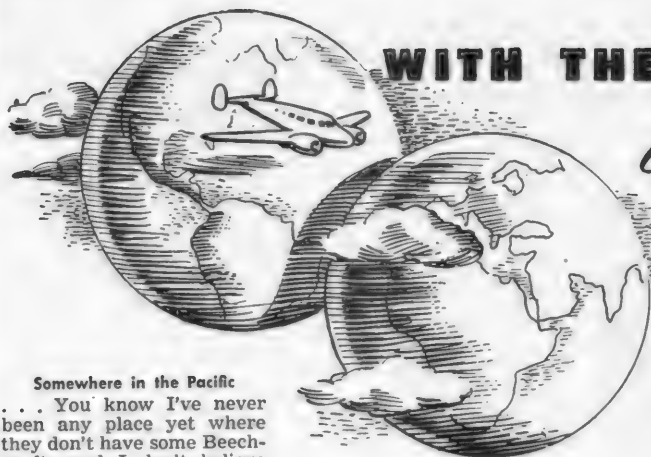
THE AMERICAN INSURANCE GROUP, Dept. 185, Newark 1, N. J.

Please send me — without cost or obligation — your five free bulletins concerning the Bank-Agent Auto Plan.

Name _____

Address _____

City _____ State _____



WITH THE ARMED FORCES *Everywhere ..*

Somewhere in the Pacific

... You know I've never been any place yet where they don't have some Beechcrafts and I don't believe I'll ever find the place that doesn't have them. . . . H.R.S.; Amm 3/c

☆

Oahu, Hawaiian Islands: ... Get quite a thrill whenever I see an SNB (Beechcraft) over here. Was out at sea not long ago and had an opportunity to see them operate. . . . C.M.T.; PhoM 3/c.

☆

Okinawa: ... I have seen several Beechcrafts in my trip and they looked plenty nice. . . . E.Y.; Cpl.

☆

Philippine Islands: ... Talked with some Air Corps boys, and I wasn't surprised when they said the Beechcraft is the nicest riding plane they've ever ridden in. Guess that's why the generals use them. . . . V.K.; Sgt.

☆

Corregidor: ... I have seen Beechcrafts, from one to a dozen on about every island we have been to. They have really done a swell job. A first class machinist that is in our engine room, came off Corregidor when it fell, in one of them. He says an angel will never look any better to him than a Beechcraft. . . . K.L.S.; F 1/c

☆

China: ... The one thing I want to do is to repair a Beechcraft, but that will probably never happen as the plane is one hell of a good ship. . . . R.J.S.; Pfc.

☆

Iwo Jima: ... There's a lot of islands between here and Wichita, and on every one I haven't missed seeing a Beechcraft. . . . B.G.; S/Sgt.

☆

Assam, India: ... Even now in C.B.I. and ATC operations, I see the (Beechcraft) C-45 and AT-7 in constant

use, and everything has been in perfect agreement wherever I go as to quality and performance. . . . J.R.B.; 1st Lt.

☆

Myithina, Burma: ... A buddy of mine over here is a former Beechcraft AT-11 pilot for bombardier training. We've both flown the 11's and also the 7's and I might say that they are the finest and easiest handling ship the Air Corps have. . . . W.T.R.

☆

Admiralty Islands: ... Recent pictures of Beech planes around the globe remind me to inform you that even here in the Admiralties Beech is doing its part — and well, for daily one can see on the line GB-2's, and even C-45B's. The entire flight crew has a good word for the plane. . . . E.T.A.; Lt. (jg)

☆

In the Atlantic: ... No matter where I go you will see a Beech and we have been in some rather remote spots. Lots of planes come and go but every one stops to see a Beech take off or land. . . . P.W.W.; AMMF 2/c

☆

Greenland: ... Ours was one of the first of the Arctic Search and Rescue squadrons, and now and

then we would get calls from a ship which was lost. We had two Beechcraft AT-7's stationed there and they were pressed into service on the rescue missions. They performed wonderfully well.

☆

North Africa: ... Rarely do I find an Army, Navy or Marine flier who at some time did not train in a Wichita plane. Everywhere I fly I find Beechcrafts doing their part and more. Beechcrafts are working every day all around the world. . . . C.R.; Lt.

☆

France: ... I saw an AT-11 (Beechcraft) the other day. I know you would have been pleased with many favorable comments it evoked from both the pilots and the mechanics. It seems to be a characteristic of most of those gentlemen to find fault with any and all transient ships but they hadn't anything but good to say for "your baby." . . . C.K.

☆

Germany: ... Over here Beechcrafts are thought very highly of. They are known as the limousine of generals. Reliable enough for a general and when a guy who has his choice like that picks them you know the plane is good. . . . R.D.P.; Cpl.

Panama, Central America: ... I have been in several places in Central America seeing good old Beechcrafts every place. . . . J.W.D.; Cpl.

☆

Florida: ... The general at the camp in Florida where I am stationed has a UC-45 which makes me homesick for Beechcraft each time I see it. I've even had a ride in it — it's really a swell plane. . . . V.M.B.; Pfc.

☆

Texas: ... Beech is the nicest place I have ever worked in my life, and not only that, but the pilots say the AT-11 is their favorite ship. . . . V.J.K.; Cpl.

☆

California: ... The pilots like the Beechcrafts and the ones who ride in them give many compliments. . . . the reputation Beech has built in the past will pay off in the post war years. . . . E.H.C.; AMM 2/c

☆

Costa Rica: ... I certainly like the Beechcraft. So do all the pilots. . . . V.L.T.; S/Sgt.

☆

Note: Originals of these letters are on file at the Beech Aircraft Corporation's office in Wichita.

Beech Aircraft



BEECHCRAFTS DID THEIR PART

CORPORATION

WICHITA, KANSAS, U. S. A.

BANKING

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

NOVEMBER 1945

Discussion leaders, l. to r., Messrs. Jones, Lucas, Zimmerman, Thomas and McDowell

Some Frank Talk on Lending

Four aspects of "Post-War Local Bank Lending and Its Various Phases" were discussed at a meeting of Group VII of the Pennsylvania Bankers Association in Cambridge Springs, Pennsylvania, early last month by a panel of experts, consisting of Dr. MONTFORT C. JONES, professor of finance at the University of Pittsburgh and member of the faculty of The Graduate School of Banking, Rutgers University, New Brunswick, New Jersey; JOHN H. LUCAS, vice-president, Peoples-Pittsburgh Trust Company; EDMUND W. THOMAS, president, First National Bank of Gettysburg, and vice-president, Pennsylvania Bankers Association; HARRY B. McDOWELL, president, McDowell National Bank, Sharon, Pennsylvania; and CHARLES F. ZIMMERMAN, president, First National Bank of Huntingdon and secretary, Pennsylvania Bankers Association, who acted as interlocutor.

Secretary ZIMMERMAN acted as BANKING's reporter at this meeting and prepared the summary of the discussions which follows.

Trend in Local Bank Lending Rates of Interest

DISCUSSION by Messrs. Jones, Lucas, Thomas and McDowell of the factors influencing (1) low rate policies of the Federal Government; (2) lending policies of Reserve City banks; (3) local lending agencies other than banks; and (4) general competitive conditions in Group VII:

DR. JONES: Interest rates must now be regarded as being at a very low point by any standard, by reason of Federal Reserve policies. We are hearing a good deal about holding up bank earnings by means of risk loans, but it appears that the effect of low rates on riskless loans is to draw down other rates, and it

therefore appears to me that bank lending rates will continue the present trend downward.

MR. LUCAS: Banks everywhere are ready to lend money to finance legitimate business needs, without asking for a government crutch to help hold them up. City banks are doing all they can to aid correspondent banks to hold to reasonable rates. In my bank I am known as "6 per cent Lucas" because the starting point is according to that standard, but of course we do have to concede better terms in certain cases.

MR. THOMAS: Lending agencies other than banks have thus far not had much of an adverse effect in lowering local bank rates. However, Federal farm lending agencies, such as Production Credit, do not help banks in their making a rate of $4\frac{1}{2}$ per cent. Where the effect is adverse, the local bank ought to meet the rate and hold the business. Rates quoted by insurance companies are often competitive in the mortgage field, and, in consumer credit, a good many manufacturers are following



through with financing at low rates covering sale of their products. All of this is influencing lower rates in the local field, but the only course for the local bank is to go after the business without taking undue risks.

MR. McDOWELL: There is no evidence that thus far the banks in Group VII have been cutting rates. Of course they want to keep local borrowing at home rather than see it go to other centers, and there may be some concessions here and there.

MR. LUCAS: We ought to try to find a way to get the big banks to stop taking paper put out by the CIT and the CCC. If this were done, the whole situation would be helped.

MR. ZIMMERMAN: My impression in general is that local bank rates are softening quite a good deal and I believe we will all feel the effects of this pressure very soon.

DR. JONES: One important factor should be considered in the matter of interest rates on risk loans. This is that there should always be a margin of income on them out of which to provide a certain amount of loss reserve. Losses are almost certain to come along, and it is hardly fair to the stockholders of the bank, not to recognize that in many business loans, the rate of interest in the long run is not the net return by any means. It seems that it used to be so, anyhow, and this kind of history has a habit of repeating itself.

Trend Towards Cooperative Lending by Banks

The following points were examined under this topic: (1) term loan plans of A.B.A.'s Post-War Small Business Credit Commission; (2) credit groups in Pennsylvania; (3) cooperative lending with correspondent banks; (4) cooperative lending between local banks—purposes, amortization, results; (5) economist's view of cooperative lending as a banking method and long-run prospects of stopping Federal agency competition; and (6) results of A.B.A. Commission's work thus far with local banks and bankers.



MR. McDOWELL: It is my idea that by this time all bankers have caught the central point in the plans of the American Bankers Association Post-War Small Business Credit Commission, which is: if a single bank can't grant the credit applied for, the bank officer will see that sound credit is obtained for the applicant with the help

of some other bank, or some group of banks. At the same time there are still too many of us who do not realize that it is our job to make credit available to men of character and ability. We need to build up stronger correspondent bank relationships, which can be done if none of the city banks will engage in pirating.

The fact that 41 voluntary bank credit groups have been organized shows how cooperative credit has taken hold, five such groups being located in Pennsylvania, namely, Pittsburgh, Philadelphia, Scranton, Hazleton and Easton. Many more should be set up on a county or area basis and country banks should set up their groups so as to keep available loans at home wherever possible. The group plan comes in where a particular loan is too large for bank X to handle; or where the term basis is not very familiar; or where the kind of loan is not a part of the experience of bank X; or where too great a risk appears.

I have been impressed with the way the A.B.A. commission has informed the supervisory agencies regarding the group lending plan. They have all said they are in sympathy with the objectives. The banking and currency committees in Congress have been informed of these plans of the chartered banks for the post-war era. We have this means of taking the wind out of the sails of the demagogue, because it is within our power now to meet the credit test, whatever it may be.

MR. LUCAS: While the correspondent bank relationship in small business credit has not yet had time to develop very far, our bank at Pittsburgh has been able to be of service in a number of specific cases. (Five or six instances were then described illustrating the exact service given by the city bank. These were very striking and impressed everyone favorably as the right means to an end.) In every case the rate charged or arranged for by the country bank was strictly adhered to.



MR. THOMAS: John, without wishing to detract from the good work you are doing, I should like to say that over in Adams County, we have the machinery set up for doing what Harry McDowell advocates, namely, keeping the loans within our own bailiwick as far as possible. I realize fully that the correspondent city banks are supporting the country bank in its accepted interest rate, and that is a feature also within the Philadelphia group.

Of course applications may come along at any time too large for handling at home, and when that happens, we certainly will wish to have the assistance of the city correspondent bank. I see also that we are likely to need help at times with amortization plans, and we are glad to have a place to go for help in that respect, especially for term loan stipulations. Over our way the bankers are most favorable towards the new methods proposed by the A.B.A. commission.

MR. ZIMMERMAN: Speaking for the bank I represent, I should like to say that we have been glad to share substantially in a term loan with a neighboring bank. Prospects of further cooperative lending of this kind are definitely in the cards for us and besides this, tentative suggestions have been coming along for consideration later.

DR. JONES: Of course banks have had every incentive

to be favorably inclined towards cooperative lending. It is the one sure way for banks to share the risk and to go as far as they think they should in accepting part of a term loan. I like the plan mainly because it will tend to hold business credits in the chartered banks, a method that is bound to be satisfactory to everyone concerned.

MR. ZIMMERMAN: One of the best guide-posts I have seen on term lending by banks has been prepared by the Association of Reserve City Bankers and mailed to A.B.A. member banks by Chairman Hanes of the A.B.A. Post-War Small Business Credit Commission. Every bank officer will find this booklet a great help when he is considering a term loan.

Local Bank Trends in Consumer and Instalment Credit

The experts devoted 15 minutes to a discussion of (1) changes made by the Pennsylvania Small Loan Act for Banks; (2) need for banks informing local patrons—dealers and retail buyers—regarding the availability of credit under this act; and (3) observations on avoiding severe competition in local instalment lending rates.

MR. ZIMMERMAN: In our discussion of consumer and instalment credits, we have a real authority in John Lucas. As a result of years of research on his part working with the American Bankers Association and guiding the work of our PBA Committee on Consumers Credit, we have seen the Pennsylvania Small Loan Act for Banks placed on our statute books this year. We believe this is a big step in advance in Pennsylvania banking law. What can you say about it, John?



MR. LUCAS: The chief purpose of the act, Charlie, is perhaps to bring order out of a confusion of methods, by fixing maximum rates of discount, a maximum amount that can be loaned, and a maximum time any instalment loan can run when accepted by a bank. The act sets strict limits as against "loading" and prescribes the

interest or discount that is to be refunded to the borrower where prepayment is made. It is also necessary for a bank to state in its advertising for instalment loans, the correct facts about interest rates, the amount the borrower receives, the number of payments per year and the amount of each payment. It is my opinion that the Pennsylvania Small Loan Act for Banks just about meets our needs as they are today.

MR. ZIMMERMAN: Now that we have the new law, I'd like to ask Ed Thomas what he thinks should be done with it.

MR. THOMAS: There is no doubt that the patrons of our banks have not yet understood the new credit methods available to them under this Small Loans Act.

It is our job to acquaint everyone with the fact that the local bank not only has this new method at its disposal, but that because we have in addition another new law enabling married women to bind themselves by legal contract, banks are equipped to handle many loans that heretofore have been going into the offices of discount companies, and at high rates of interest. Like Monte Jones, I believe that the borrowing public prefers to deal with the local bank managed by home-town people. Hence, our banks must get on the front line and let the public know we want this instalment business.

MR. McDOWELL: Right there I feel that it is necessary for all banks to watch their step and avoid too severe competition in local instalment lending rates. It looks to me as if, in a general sense, this competition is going to be tough, but for local loans, there would be no point in cutting away the profit.

Problems and Trends in Veteran Lending, Laws and Regulations

No discussion of bank lending is complete without giving consideration to veterans' loans. On this subject the panel spent 15 minutes discussing (1) economic and business questions involved in philosophy of GI lending by banks; (2) methods adopted by some Reserve City banks; (3) GI loan developments thus far in Group VII banks; (4) small town picture; and (5) extent to which GI 4 per cent loans will affect interest rates to non-GI customers.

MR. ZIMMERMAN: Monte, this whole question of veterans' lending has become quite a Chinese puzzle inside the average bank, so maybe our best starting point is to find out how a serious minded economist sizes it up.

DR. JONES: I think there are a good many rough spots in it that will have to be ironed out. The assumption that anyone is fairly entitled to a business credit, where you have no proper index of his capabilities, certainly puts some important questions up at the top of the list. This does not mean that GI lending is headed in the wrong direction, but it does mean that everyone concerned will have to do his best to keep it headed in the right direction, in order to avoid difficulty for the free enterprise system as a whole.

I have been observing how some of the plans for making GI loans are set up, and would like to hear from John Lucas on that.

MR. LUCAS: The set-up outside of the banks in Pittsburgh is designed to give the returning veteran the best kind of service obtainable. By establishing a central agency, there will be no chance of the veteran being shunted from one bank to another. He will be able to get the best possible hearing for whatever business proposal he has in mind, and will be dealing with those who have the right kind of experience and also a very sympathetic approach to the veteran's plans and situation. Thus far we have had reason for believing that the outside agency plan is best suited to a center such as Pittsburgh.

(CONTINUED ON PAGE 113)

THE INVESTMENT MARKET

H. EUGENE DICKHUTH

MR. DICKHUTH, on the financial staff of the New York Herald Tribune, reports here on investment news and trends.

PRIVATE bond and stock financing in October totaled about a billion dollars. Perhaps the most heartening aspect of the market, affecting psychologically all types of investments, was that for the first time since 1929 venture capital responded in considerable volume.

The two major tests in the risk category were the Kaiser-Frazer Corporation offering of 1,700,000 shares of common stock and the Industria Electrica de Mexico issue of 197,500 American common shares. The latter is a joint Mexican-Westinghouse Electric venture and like the Kaiser-Frazer undertaking, is still largely in the organizational stage, although backed by interests with thorough industrial experience. Both were good vehicles for testing the mood and availability of venture capital in the United States. Public demand for the two issues far exceeded the supply of securities and within a very short time both issues were traded at substantial premiums above the offering prices in the counter market.

A similarly happy frame of mind pervaded the stock markets during most of the month. Brokers, traders and investors who have become used to one million share days on the New York Stock Exchange "as a reasonable measurement of public interest" for more than the past 12 months, now accept such volume as "normal" and privately some are saying that perhaps a year hence two million share days might be equally "ordinary."

THE bullish undercurrent of the market is based, as usual, on a combination of circumstances. Demands by labor for substantially higher wages foreshadow eventually higher prices for goods with the prospect of strong inflationary pressure all along the line.

Lower taxes which will place more "take-home-pay" in the hands of corporations and individuals, coupled with huge peacetime demands for Federal expenditures also would seem to strengthen the expansional tendencies because they spell unbalanced budgets, at least for a number of years to come.

This general and basic economic reasoning, no doubt, is at the root of the actions of stocks, bonds and government securities alike, blended, of course, with other factors and dependent on several technical considerations.

One of the technical aspects affecting the market in Treasury obligations was the early date of the final Victory Loan. Up to the time Japan surrendered, the Eighth War Loan was expected late in 1945 or even early in 1946. Corporate and bank investment programs had been laid with this time table in view and some borrowing commitments for the purchase of securities during the Seventh War Loan drive which ended June 30 were based on a long interval between campaigns.

Prospect for New Financing

After the Victory Loan and in the long range perspective a tremendous volume of business is expected to develop and investment opportunities should be great and diversified. Important industries have nearly completed their refunding programs of high cost debt incurred during periods of higher interest rates into lower cost indebtedness, coupled with partial redemptions.

The Treasury's announcement, therefore, that the Victory Loan would begin on October 29 disrupted private investment programs. It affected potential yield patterns of individual portfolios as well as loaning schedules.

The result was considerable selling of various Treasury securities to adjust holdings and loans and to straighten out positions before the end of October, instead of November, December or January. After the initial shock was over, the government securities market became firm, but remained quiet otherwise. The long 2s reached again their previous high of 103 11/32nds from which they receded when reports had leaked out of a possible increase in the special discount rate of 1/2 per cent on government securities by the Federal Reserve banks.

A development whose long term repercussions remain to be seen was the British government's reduction of the interest rate on bank-held Treasury deposit certificates from 1 1/8 to 5/8 per cent.

Some of the larger new issues which reached the market shortly before were \$72,500,000 bonds and stocks of Cincinnati Gas and Electric Company; \$75,000,000 Northern States Power Company; \$40,000,000 Montana Power Company obligations; and \$40,000,000 Kansas City Southern Railway bonds.

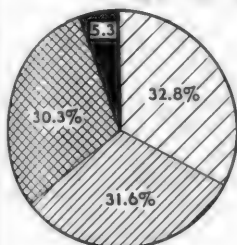
Among the smaller ones were \$13,000,000 Lehigh Coal and Navigation Company obligations; \$27,000,000 debentures of Pennsylvania Power and Light Company; \$17,000,000 bonds and stocks of Union Electric Company of Missouri; \$25,952,000 first mortgage bonds of New York Connecting Railroad Company; \$22,500,000 refunding obligations of Public Service Company of Oklahoma; and \$11,282,000 California Water Service Company bonds.

New money will be required on a large scale by established businesses as well as by scores of newcomers planning initial financing.

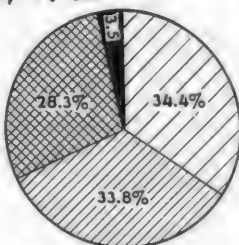
A chart picture of banks' investments in United States Government bonds appears on the next page.

BANKING

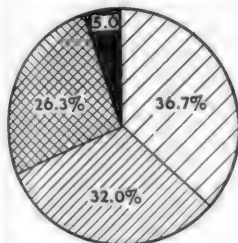
MATURITY OF UNITED STATES GOVERNMENT SECURITIES OWNED BY COMMERCIAL BANKS JUNE 30, 1945



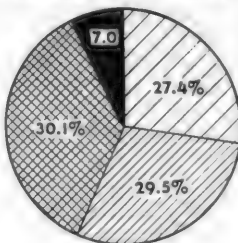
7,403
COMMERCIAL BANKS



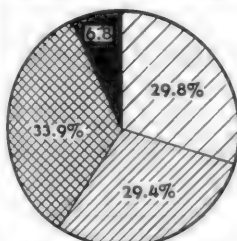
49 CENTRAL
RESERVE CITY BANKS



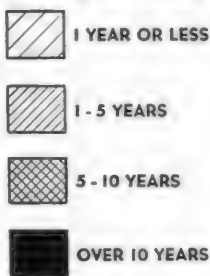
352
RESERVE CITY BANKS



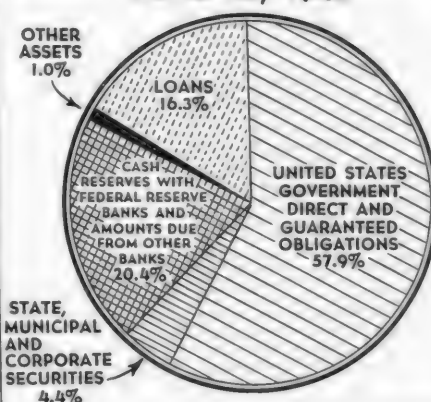
4,365
COUNTRY BANKS



2,637 NON-MEMBER
COMMERCIAL BANKS



ASSETS OF MEMBER BANKS OF FEDERAL RESERVE SYSTEM JUNE 30, 1945

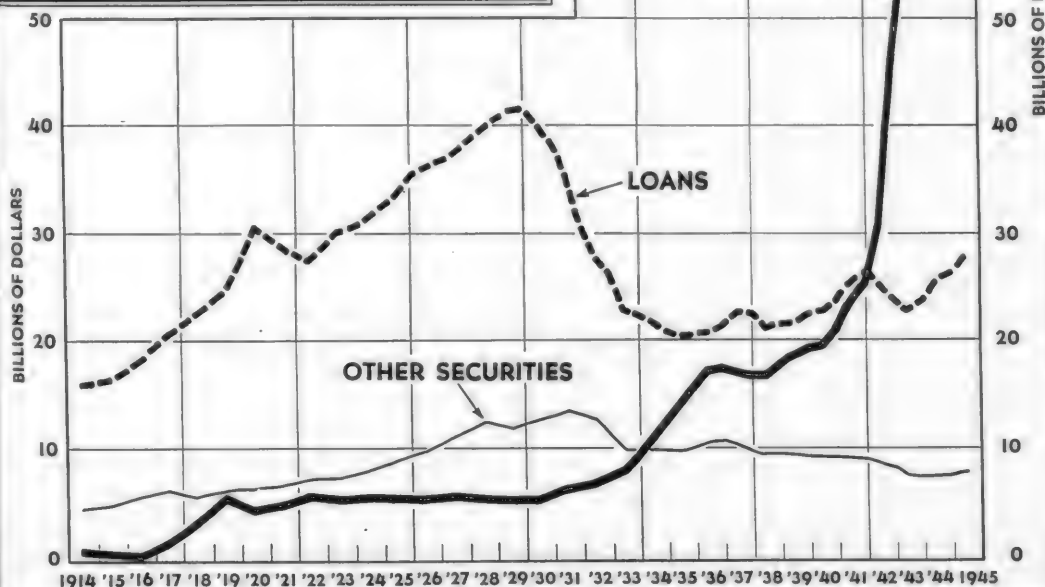


PRINCIPAL ASSETS OF ALL BANKS IN THE UNITED STATES

GOVERNMENT
SECURITIES

LOANS

OTHER SECURITIES





PHOTOS BY PIX, INC.

The Post-War Small Business Credit Commission of the American Bankers Association

Banking's Own Post-War Product

JOHN L. COOLEY

BOB HANES was telling a story. There were no laughs in this one, but it carried a punch, a point and a warning. The audience was a group of some four score bankers—credit experts, mostly—who had gathered in New York from near and far to help chart the course of banking in the reconversion of America's recovery. They sat in the hotel parlor listening intently as Mr. Hanes, chairman of the American Bankers Association Post-War Small Business Credit Commission, gave them the dynamic keynote of their important two-day meeting.

In the group were members of that commission, the A.B.A. Credit Policy Commission, and representatives of 41 regional bank credit groups organized throughout the country to help make adequate credit available to every competent borrower.

Chairman Hanes' story was essentially a report on his commission's work during its first year, and that's where the punch was. He outlined the extensive progress made in the group's five-point plan of action: A program of education and publicity for bankers and the public, application of the term loan principle to the needs of small business, establishment of small business loan facilities in banks that can support such a service, revitalization of the correspondent banking relationship to facilitate credit extension by smaller banks, and the organization of bank credit groups to supplement existing sources of credit in their areas. These groups Mr. Hanes called "banking's own post-war product."

The point evident in the chairman's remarks was that banks—particularly the so-called "country" banks—are more aggressively alert to the need for doing the credit job as private institutions, the alternative being socialized banking.

His warning was along the same line:

"We are facing a critical period in America. We have just emerged victorious in a gigantic military struggle. We are now threatened with the possibility of a war of economic and political philosophies, a war that is as deadly to the freedom of men as the machine gun and the bomb are to the lives of men. I need not emphasize the significance of the picture of Europe dominated by Communist Russia or of the powerful influence of non-democratic groups in the liberated countries, nor do I need to call your attention to the triumph of Socialism in England."

Referring to the Labor Party's plan to nationalize the Bank of England, Mr. Hanes said there were in this country "powerful, well-organized and ruthless minorities" that have as their objective the purposes of that party. These groups "will push persistently to their goal, and they will do it in the name of free enterprise and under the guise of democracy."

"How far-reaching," he continued, "are the implications contained in the philosophy of socialization of banking! Business is directly and absolutely dependent upon banks and other financial institutions. Yet if the major financial agencies such as banking are controlled by the Government, then business is controlled by the Government. And that means by the political party in power."

"It should be remembered and repeated over and over again," the chairman concluded, "that no nation can develop half democratically and half socialistically. Once it becomes socialized financially, it becomes socialized politically. When that happens, freedom becomes but a memory, and the sacrifices of 12 million men will have been in vain."

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Other speakers and participants in the discussion that followed Mr. Hanes' talk also emphasized the background against which banking and business must work today. Not only social and political change, but the march of science, too, confront those who would aid in restoring a free economy to a war-regimented world. And atomic energy, as well as the British election result, must be reckoned with in plans and philosophies that go deeper than the surface symptoms of good health provided by balance sheets.

The banker, it was brought out, can direct credit into channels where it will best serve the purposes of a free economy. He can supply needed credit to capably-managed business, acting either by himself, or with the aid of his correspondent, or through his regional credit group. He can find opportunities for service at his own doorstep by giving a friendly boost to the little fellow of today who may well have grown up by tomorrow. And by his action he will have helped not only himself and his customer, but also will have contributed his support to the free economy he represents and wants to maintain.

MORE specifically, the conference's attention was focused on what the various credit groups had done, what they could do, the method of organization and procedure, forms, articles of association, and various other mechanics of operation. Various phases of the five-point program were discussed, particularly the term loan principle, the correspondent banking relationship and its vital place in credit extension, and the public relations-advertising problems of the credit groups.

The bankers also heard reports on meetings held in recent weeks among representatives of the American Bankers Association credit groups and such trade organizations as the National Retail Lumbermen's Association, the National Automobile Dealers Association, the Insurance Agents Association, and the American Trucking Associations, relative to manufacturer-dealer and dealer-customer financing. Farm implement manufacturers comprise another of the important business groups that are taking an active interest in this banking

service, and action has been taken toward establishing programs for working with banks.

Consumer credit's part in the general nationwide picture was outlined by speakers, and reference was made to the potentialities of instalment credit for small business borrowers.

The Credit Group

THE purposes and philosophy of the credit groups were crystallized at the conference by several bankers who have been actively engaged in the movement for some time.

The aim, it was explained, is to make available in each area the best and most seasoned lending officer talent so that the experience and judgment of these men can be applied to local banks' requests for participations by the group in loans which are sound basically, but may not conform to the traditional ratios used by credit men.

Spreading of the risk is, of course, another function of the group. In accepting a loan participation with the local bank, the group spreads the risk among its membership so that in the event of losses, the amount to each bank would be relatively negligible.

It is highly important that the group be regarded strictly as a defensive agency for backing up the credit activities of the local bank, either with or without its correspondent. It is in the position of a supporting reserve,—but it can also make an occasional counterattack on behalf of the private lending system.

The credit group should not compete for loans with the banks in its area. Its purpose is to implement and augment their resources. No member must regard its operations as an entree to the borrower's deposit business at the expense of the local bank. To do so would defeat the objective of credit group operation, namely, cooperation.

The group should not get between the local bank and its customers. The aim is to build up the bank in the eyes of the latter's customers and community, through the institution's ability to call on the resources of the

Chairmen of the regional small business credit groups at their recent New York meeting





The A.B.A. Credit Policy Commission, which met with the other credit experts

correspondent bank or the group. Thus the local bank should conduct all negotiations with its customer.

Perhaps the greatest contribution of the cooperative credit plan, it was suggested, will be the intangible results that accrue from having the banks in an area work together on a common problem.

As for the mechanics and operational procedure, the groups were advised to use simple forms of application, loan agreement, and participation certificate, samples of which were distributed. Simplicity of operation is important.

Accurate definition of the area to be served was likewise recommended; so was the practice of fixing administrative responsibility in one man, who might perhaps have a paid assistant. Periodic meetings, adequate publicity and advertising in the local press, and frequent reports to the Small Business Credit Commission were among the other suggestions.

CONSIDERABLE attention was paid to the activities of the country's system of correspondent banking which, it was reported, have been greatly intensified during the operation of the small business credit program. Indeed, it was pointed out that more study and attention had been devoted to the strengthening and improvement of correspondent banking in the past year than at any time in the past decade.

This has worked two ways: both city and country banks have been able to make valuable contributions toward a mutual understanding of the responsibilities and opportunities involved. Much has been done, as a result, to demonstrate that the United States has an integrated banking system rather than 15,000 scattered banks.

The value of meetings between representatives of "big city" and "country" bankers, held in either the large or the smaller institutions, was emphasized, especially in connection with small business credit. These gatherings, it was pointed out, provide the basis for lasting relationships. The smaller banks want to learn

how to meet their practical problems, such as the development of loan volume in this post-war period. Questions like the handling of term loans, loans against receivables, and field warehouse receipts, and the method of caring for larger customers can be answered expertly at the meetings.

The country banker learns, among other things, that the large loan need not be turned down and that with the correspondent's help, no large borrower need be sent elsewhere. Incidentally, he also learns that the city bank can do other things for him than get theater tickets for his next visit to town, and the tie between the two is thus strengthened.

THE discussion brought out that term lending is being better understood and appreciated. A spot check made a few months ago among representative banks disclosed that this flexible type of credit is being used advantageously in supplying the needs of small business. The Post-War Small Business Credit Commission recognized the need for educating bankers in the use of these loans, and is doing so with the aid of practical manuals, one of which has been distributed through the cooperation of the Association of Reserve City Bankers. Another is in preparation.

Many banks are now giving to the business men of their communities booklets and other advertising material describing term loans, and the subject is often found on the agenda of bankers' meetings.

The term loan, a flexible instrument adaptable to situations where neither short-term loans nor security financing will fit, was described as a useful means whereby banks can make possible the continued expansion of our economy, notably full employment. It was emphasized that the loan must fit the definition of "bankable" and not edge over into the venture capital field of the investment banker. Perhaps it is at least part of the answer to the challenge of government lending and guarantees.

(CONTINUED ON PAGE 134)

Serving the Drive-In Customer

RAY A. ILG

MR. ILG, vice-president, *The National Shawmut Bank of Boston*, tells how his bank planned and executed its branch building program with service to customers as the motivating idea. Resumption of motoring makes his comment particularly timely.

WHEN we were considering our program of erecting new branch offices we tried to determine what features would appeal most to both present and prospective customers, keeping in mind that whatever features we did decide upon, the needs of our customers for many years to come should be met adequately.

We gave considerable thought to "drive-in" banking service and made a thorough investigation of it. To us it seemed worthy of a definite place in our program.

We believed that banks would feel the necessity of providing suitable parking accommodations for the growing number of their customers who drive to banks and find it difficult to park near the bank. Also it seemed reasonable to make every attempt to capitalize on the business which would come from the people attracted by this added convenience. Even under wartime motoring our belief in the usefulness and convenience of this service seems to have been justified.

Prior to the time government restrictions on building materials were imposed, we had completed six specially constructed offices, all single story, red brick buildings of colonial architecture which we felt were of attractive design. We were also able to remodel another branch to include drive-in facilities.

When it came to the interior of our new offices, such modern conveniences as electric-eye doors, fluorescent lighting and air conditioning were installed. Then great stress was laid on having comfortable writing rooms for the ladies, conference rooms for customers where small meetings could be held, modern safe deposit vault equipment, and ample floor space in front of tellers' cages.

To further the colonial idea and to give a "homey" atmosphere, a soft tint was used on the walls and the



One of the newly constructed branches of National Shawmut Bank, showing drive-in entrance, exit, and drive-in window

other interior decorations and fixtures were carefully selected. In all the new branches we found that maple furniture of colonial design, old prints of Boston, fireplaces, and corner cupboards filled with antique glass helped to carry out this idea. Several of our older branches have been redecorated to convey this same atmosphere as far as possible.

Another feature we have used is that of outside hanging signs of colonial design and color, illuminated by neon lights, on which the name of the bank appears. Hanging on the inside of the windows of the branch offices are glass crystal-glo signs. Each sign carries the name of a service we offer.

It has been our experience—and we believe this is true of all banks—that in building tomorrow's bank building it is necessary to plan not for the immediate future but for some years hence. The convenience of drive-in banking to the public is already proving that this type of service is one feature which will continue to increase in popularity.

Interior of a remodeled branch (Beacon-Charles), left, showing officers' quarters, tellers' cages and doorway to ladies' writing room; right, view showing two drive-in windows in a new National Shawmut branch



Protection for Veterans

WILLIAM POWERS

MR. POWERS is secretary of the Committee on Service for War Veterans, American Bankers Association.

ALTHOUGH the bankers of this country are all directly or indirectly interested in every phase of war veteran rehabilitation—medical attention, hospitalization, education, training, reemployment, new employment, and financial aid—there are two phases that are of primary concern to virtually every banking institution. These are: occupational reestablishment of our own veterans who left the banks to enter military service and financial assistance to every worthy veteran who desires to purchase a home, a farm, or a business.

Reemployment

Reestablishment of our own veterans involves preparation on the part of the banks for reemployment of an unknown percentage of 65,000 servicemen and women who are expecting to return to their former occupations in banking. In an effort to help the banks complete their preparations, the Personnel Subcommittee of the American Bankers Association Committee on Service for War Veterans has recently published and sent to A.B.A. members a 32-page booklet containing ideas and suggestions obtained from a survey of a hundred banks, large and small, located in various sections of the country.

The booklet briefly sets forth the veteran reemployment provisions of the Selective Service Act of 1940 and then describes what the surveyed institutions are doing toward complying with the law's provisions and, in addition, meeting further requirements which the banks assume as their responsibility.

Answers to 10 questions bring out the banks' attitudes and ideas on such points as: observance of the 90-day time limit on applications for reemployment, rehiring former employees who were released from military service and accepted temporary positions in activities other

Veterans' Subcommittee of the Senate Finance Committee holds hearings on amendments to the Servicemen's Readjustment Act. L. to r., at committee dais, Senators Lucas, George, Johnson, La Follette and Vandenburg



than banking, keeping in close touch with former staff members who are still in service, job promotion and salary increase considerations, retraining procedures for people who have long been absent from their banks, and reorientation plans.

The booklet concludes with an extensive outline of a refresher course plan that has been prepared by the national office of the American Institute of Banking for the guidance of officers and faculty members of local A.I.B. chapters throughout the country.

No one can estimate even fairly accurately how many of the 65,000 banker veterans will return to banking. Much will depend on economic conditions prevailing when most of these people are demobilized. But it can be safely assumed that many thousands will come back to financial work and the banks are now apparently preparing for that welcome situation.

Financial Assistance

Financial aid to veterans who want to purchase homes, farms, or businesses is being extended by the banks with little difficulty when the credit extensions are made on a "regular" bank loan basis. However, when the loans are handled on the basis established by the GI act and processed in accordance with regulations issued by the Veterans Administration, then considerable difficulty is encountered.

The American Bankers Association, through its Committee on Service for War Veterans and its Committee on Federal Legislation, plus cooperation from similar committees in the state banking associations, has endeavored to keep in close touch with these developing difficulties and present constructive suggestions to the governmental authorities.

A survey designed to gather factual information regarding difficulties involved in making guaranteed loans to veterans was completed by the A.B.A. committee in August. Criticisms and suggestions were received from 3,797 banks located in 3,029 towns and cities. These institutions were qualified to speak with some authority on what they thought was wrong with the loaning provisions of the GI act because they had held more than 67,000 loan interviews with veterans and had actually applied for the Veterans Administration guaranty on 4,411 loans amounting to \$14,500,000. In addition, these banks had made loans direct (without VA guaranty) to 4,256 veterans, for a total of more than \$17,500,000.

Only a handful of these banks expressed the opinion that the loan sections of the act were entirely unworkable. But practically all of the banks stated that too much time was required to secure certifications of eligibility and loan guaranty certificates. The records furnished by these institutions indicated that it took 11 days on the average to obtain a certificate of eligi-

BANKING



Committee on Service to War Veterans Chairman Chester R. Davis outlines to the Veterans' Subcommittee of the Senate Finance Committee the amendments to the GI act the banks believe essential

bility, and that it took an average of 17 days to obtain a loan guaranty certificate. They stressed the fact that a large number of home, farm, and business deals fell through before 28 days of processing time had elapsed.

The next most important criticism offered by these banks concerned the handling of forms required by the Veterans Administration in considering guaranty of a loan. The average time required to question a veteran and to fill in a set of forms was reported to be seven hours.

Many other suggestions were offered, covering such matters as extension of the time in which a veteran might use the loan guaranty privilege, expansion of the purposes for which farm and business loans might be eligible for guaranty, and changes in the basis and

method of appraising property values—but the most urgent of all the requests were that red tape be cut, and that processing time and paper work be drastically reduced.

Legislative Amendments

Broad amendments to the Servicemen's Readjustment Act were incorporated in a bill (H.R. 3749) sponsored by Representative Rankin and passed by the House on July 18, 1945. Among the proposed amendments are several specifically designed to reduce processing time and paper work. But there are further changes which banks and other lenders have recommended that were not included in H.R. 3749.

The bill was not acted on by the Senate before the summer recess. It is now being considered by the Senate Finance Committee and public hearings on the legislation are scheduled to take place before this article appears in print. It is impossible to forecast the final action that will be taken on the proposed amendments, but it is reasonable to believe that progress will be made toward making the GI loan operations more efficient.

The Veterans Administration, the veterans organizations, the banks and other lending agencies, and the members of Congress have varying points of view on many angles of the veteran loan question, but they are all close to agreement on the fact that the procedures by which loans are negotiated under the GI act must be simplified and made less time-consuming. If such an improvement is made, the banks will be in a much better position to render helpful financial service to all credit-worthy veterans who wish to buy homes, farms, or businesses.

Bankers' Recommendations

Chester R. Davis, chairman of the American Bankers Association Committee on Service to War Veterans, told the Veterans Subcommittee of the Senate Finance Committee that his group favored the following changes in the Servicemen's Readjustment Act:

(1) The lengthening of the term within which guarantees can be extended to eligible veterans to 10 years after the termination of the war.

(2) A change in the present requirement that the Administrator pay the interest for the first year on the guaranteed portion of the loan to permit the payment of a flat sum representing the interest for one year on the amount originally guaranteed to be paid to the lender for credit upon the loan at the time the loan is closed.

(3) Enable national banks and District of Columbia banks to make real estate loans guaranteed by the Administrator without regard to the limitations or restrictions of any other statute with respect to the ratio of such loan to appraised value of the property or with respect to the maturity of such loan.

(4) Change the requirement that the "purchase price" of the property being acquired by the veteran shall not exceed the "reasonable normal value" thereof to require that the "amount of loan" shall not exceed the "reasonable value" of the property. In this connection we believe that independent ap-

praisers should be used in appraising home, farm or business real estate. We favor the present procedure of having a list of appraisers approved by the Veterans Administration and are opposed to permitting the lender to make the appraisals of such loans as is proposed in H. R. 3749 (Rankin Bill).

(5) Expand the purposes for which farm loans may be made to include farm supplies (that is, seed, feed, fertilizer and other items essential to the production of crops), and also include poultry in addition to livestock. Authorize loans for construction of farm buildings. Either make provision for payment of delinquent indebtedness, taxes and assessments similar to the provision for loans for such purposes under the home loan section or provide a new section as recommended by Mr. Collins covering indebtedness on homes, farms and business properties becoming delinquent during the period of the veteran's service in the armed forces or becoming delinquent within a limited period after his discharge.

(6) Expand the purposes for which business loans may be made to include inventory, working capital, and modernization and repair loans for buildings and equipment.

(7) Provide for the cumulative guaranty of business loans on a plan similar to the FHA Title I insurance plan as an alternative to the 50 per cent or \$2,000 guaranty of the individual loan.

How Honest Are People?

MYRON STEARNS



The author, a frequent contributor to BANKING, writes on economic subjects for many leading national publications.

IT is respectable and trusted people who go to jail for that easiest, most insidious of crimes, embezzlement: The illegal use of money or merchandise *already in one's rightful possession*. Almost any of us may succumb to its temptations, perhaps when we are acting with the most unselfish motives. The average embezzler, says the United States Fidelity and Guarantee Company, is a regular, normal person with a better-than-average reputation; he (or she) lives in a good neighborhood, has enough income to get along, takes part in community affairs, and has earned the position of trust he holds.

And yet hundreds of such solid citizens become embezzlers every year. Last year alone the Fidelity and Casualty Company, just one of more than 50 big companies writing bonds for employees in positions of trust, was called on to make good the embezzlements of more than 2,200 previously trustworthy men and women. Another gauge: Of the many thousands of bankruptcies annually, no less than 14 per cent are due to embezzlement by trusted employees.

Almost no one ever sets out purposely to embezzle. A man "borrows" a few dollars of his company's money, fully intending to replace it immediately. That's the first step; but the other steps follow so easily that, before he is awake to it, he is horrified to find that he is an embezzler. After years of handling property rightfully, as if it were his own, a man gets an easy feeling akin to ownership.

AN attractive woman of 38 lived with her father and sister in an Ohio town, where she worked for the electric company. She had an excellent reputation. Then she ran into major bad luck; with her father ill, her sister unemployed, bills piled up and her savings dwindled. When at last they were exhausted, she used a few dollars of the company's money to pay for some necessary medicine. Of course she was going to return it at once; an honest person naturally intends to do that, and this woman was an honest person up to that point.

But before she could return it, the auditors, nemesis of embezzlers, appeared. To hide the shortage she borrowed from friends. After the auditors left, she repaid her friends by "borrowing" again from the company.

She went on this way for several years, always taking small but increasing amounts, until there came the inevitable day when she could not borrow enough to balance the books. The auditors found the shortage—only \$671, but enough to jail her as an embezzler.

Such is the perfect pattern and the grave danger of this strange disease, so to call it. That woman didn't intend to take and keep the money. But she yielded to the subtle, gradual ease of the thing and became an addict, taking larger and larger amounts. Sixty-nine out of every 70 embezzlers, says the National Surety Company, never intend at first to do anything other than "borrow" and quickly repay.

For the majority, embezzlement is a gradual, and almost unconscious, process. They use something already in their possession, but which they do not actually own, expecting to replace it before anyone else finds out what they have done. Then someone else does find out about it, and they find themselves embezzlers, just as they might wake up to find themselves on the floor.

REASONS for making illicit borrowings are as numerous and as natural as are anyone's reasons for wanting any money at all. The fatal error the victims make is yielding to the reasonableness of that first step. A clerk in the cashier's office of a steamship line, on the way to bank \$350 of the firm's money, stopped for lunch. During lunch, he was robbed of the money. In great distress lest he lose his job (he had a wife and three children) he tried to conceal the loss, planning to repay it in time from his own pocket. He juggled entries in his books. Presently, because he was not detected, he began to take more. For eight years this went on. When he was discovered, he had taken \$67,000.

Not infrequently the temptation that twists previously honest people out of line is no more than the ease of appropriation. The trusted cashier of a large insurance agency was 45 and unmarried. When company stamps were needed he drew a check for "Cash—postage." This he signed, getting the president to sign it also. Often it was for quite a sizable amount. Once inadvertently he left the cash from such a check in his pocket. Nobody missed it! Amused, he tried it again, putting the money aside to turn in if the disappearance was noticed. Then he did it again. During the next six years the total climbed to \$20,910.29—of which, when

the loss was discovered, \$8,500 was in a safe-deposit box.

Surety companies—"surety" is a form of insurance that guarantees personal honesty or performance—have records of a staggering variety of embezzlements.

A very devout woman, treasurer of a lodge in Indiana, took \$3,311 from the lodge treasury to make the first payments on a new church building. In Chicago a \$20-a-week bookkeeper of a small movie-projector manufacturing firm succeeded in getting away with \$61,930 of company money—\$16,000 of which he obligingly loaned back to his employers to help stave off impending bankruptcy! A brother and sister, working for the same beet-sugar company in Utah, each embezzled more than \$12,000 over a period of 15 years, without either knowing that the other was dishonest.

NEARLY every embezzler believes himself the innocent victim of circumstances, though most of those "circumstances" would have been avoided if the "victims" had been a little more foresighted, or a bit better controlled.

More embezzlements, for example, result from failure to live inside an income than from any other single cause. So, if you want to keep clear of crippling "circumstances" that lead to trouble, start a savings account and watch it grow. Savers, the surety people say, almost never default. "Credit," they repeat, "is a fine servant, but a terrible master." Unwisely accepted, it is likely to lead to a steadily increasing burden of bills. Advertisements like "You furnish the girl—we furnish the home," "Enjoy your radio while you pay for it like rent," "If your wife wants a mink coat, get it on the easy-payment plan," frequently lead to commitments that leave the buyer loaded with debt and desperate for cash.

A woman of 39 had been a bookkeeper for 12 years. She had a fine reputation and was considered utterly trustworthy. But she was an inveterate instalment buyer—electric range, electric refrigerator, electric washing machine, radio. She just couldn't say no. She supported



her mother; her unpaid bills nearly drove her crazy. With a friend she visited a race track for the first time in her life; she bet \$2 and won \$10. It seemed like an answer from Heaven to her difficulties. She went back to the track alone the next day and bet again. This time she lost. She had no more money of her own to bet, so she used a little of her employer's money—just temporarily; it seemed such a sure thing! With the "borrowed" money she won a little; then she lost more. Day after day she kept on, frantically making her bets larger and larger. She drew checks for herself, cashed them, and when she got them back destroyed them and made charges to other depositors. Before what she was doing was discovered, she had taken \$43,000:

Size of income has little to do with whether or not a

man stays within it. The president of a New England gas company had an income of \$75,000 a year. Still he ran behind in his living expenses. Presently, he used \$200,000 of company money to bolster his investments.

Bonding companies have learned that an extravagant wife, unable to control her desire for things her husband cannot afford, is a terrible "circumstance." The agent for a Georgia oil company, 50 years old, received a salary of \$3,900 a year. He was a mild, family-loving man, unable to refuse his dear ones anything they craved. He had a luxury-loving wife, and two children. When a shortage of \$1,093.76 was discovered in his accounts, he killed himself. Subsequent investigation showed that he had mortgaged his house for more than it was worth; that for years he had owed money to almost everyone in town; and that during the two decades of his married life he had bought his wife over \$3,000 worth of diamonds, which she had never worn, but gloated over in secret.

If, although ambitious, you never let your desire to "make a quick killing" get the better of your moral sense, you are not likely to default. The surety company records are full of instances of the boys who were unable to resist the lure of a "good thing."

A stock brokerage cashier received a tip on the route of a new subway. He decided to use a little company money and buy real estate. It was a wonderful chance; the rise in property values would double, treble, the money. He would get rich and repay. During eight years he took more than \$300,000, buying property that was going to skyrocket. But the subway didn't come through. Instead of getting rich, he went to jail.

Occasionally the oddly-twisted characteristics that lead to embezzlement include an overweening desire for praise or attention. In one amazing case an elderly bank president took hundreds of thousands of dollars from his bank to give away. He liked to pose as the leading philanthropist of his city of 30,000. He gave a YMCA building and made gifts to churches. He was always at the head of donor lists. When auditors uncovered his defalcations, they were unable to get any of the town police to arrest him. Nobody would believe he could be a defaulter. He was finally arrested in an adjoining town when he started to run away.

Good nature and optimism, the bonding companies assert, are great preventives of defalcation. Fat men are usually honest. Resentfulness, a sense of being unfairly treated, seems to deaden a person's sense of honesty. Anyone with a hobby is usually a good risk. An absorbing interest in some specialty seems to keep people from regarding money as unduly important. Oddly enough, men who swear a good deal are usually honest.

Few people—including nearly all prospective embezzlers—realize that money dishonestly taken remains a constant debt over the head of the embezzler. Being caught and serving a term in prison does not settle the account. The embezzler comes out of prison after his term still owing the money. The debt cannot be wiped out, except by repayment; money fraudulently obtained is not covered by bankruptcy. Nor will any surety company, knowing his record, accept a bond for him in any new position. Barring a miracle, the embezzler is behind the eight ball for life.

England Buys a Bank

HERBERT BRATTER

MR. BRATTER, BANKING'S *Washington reporter*, recently returned after several weeks in England and on the Continent.

THE introduction on October 10 of a bill in the House of Commons to nationalize the Bank of England caused no surprise in the financial community of Great Britain. Nationalization of the Old Lady of Threadneedle Street has been a certainty ever since the announcement that the Labor Party had won the election.

British bankers generally are reconciled to this change. They did not recommend it and they do not like it, but they display no really serious concern. The move is described as primarily a political one. The rank and file of the Labor Party will hail the change as a victory for the common man. But those in that party who really know what's what realize that this change does nothing to increase the Government's influence over the nation's credit structure and that, in fact, if gaudily managed, it may actually represent a setback, for the reason given below.

A typical banker criticism of the change as given to the writer by the head of one of the Big Five in London was that by the nationalization of the Bank of England the Government loses an impartial advisor.

"When the central bank is detached from the Treasury it is in a position to give the Government an independent view from the strictly economic standpoint," he said. "That you cannot expect from a wholly politically-run and dominated institution, as in the long run the Bank of England may become. Fortunately, our virtue in Britain is an innate stability—a capacity to arrest ourselves and our Governments."

AS THE readers of this magazine will know, the Bank of England for years has been virtually an arm of the British Treasury, and never more so than during the war which began in 1939. As long ago as 1936 Montagu Norman publicly pointed out that the bank was there to do the wishes of the Government, and that was not news to the public. Informally, as is British custom, but with full effectiveness, the bank has guided and directed the action of the City. A strong feeling of confidence in the bank on the part of the commercial banks has long existed. Because of the bank's intimate relations with the Treasury, the bank provided the Government a superb listening post for feeling the pulse of the nation's financial life and for reporting the thinking of the banking community. Once the bank becomes *de jure* a government department, the intimacy between the bank and the commercial bankers might be prejudiced; and this is where the manner of the Government's operation of the bank becomes important.

If Britain is undergoing anything like a revolution, it



A major campaign promise by Premier Atlee during the last election was the nationalization of the Bank of England.

The Premier, above, center, is shown leaving the Treasury

is one that may be expected to prove the "inevitability of gradualness" here. Lord Catto, governor of the bank, will indefinitely continue at its head, notwithstanding the Government's acquisition of all the bank's stock. At the Lord Mayor's dinner on October 3, 1945, Chancellor of the Exchequer Hugh Dalton disclosed this reassuring news in the following words:

"When the late Sir Kingsley Wood was Chancellor, Lord Catto used to spend much time in the Treasury. That was before he became governor of the Bank of England. And now that he is governor—and has undertaken, to my great satisfaction, to continue as governor during the transitional period on which we are now entering—he is still one of my most frequent and most welcome visitors and one of my best counselors.

"In the years which lie before us there will be much active discussion and, no doubt, much political controversy, regarding economic and financial questions. We need have no fear of this. It is the British way of life. That men can differ and be friends, that the results of a parliamentary election can be accepted, with not less philosophic sportsmanship than the result of a cutie or a test match, is one of our national virtues."

This statement by the Chancellor is reassuring, because along with acquisition of the bank's capital stock goes the right to appoint the governor, the court, and the employees. Actually, of course, even under private ownership of the bank, no one could have become its governor without the tacit approval of the Treasury.

The bill provides that the governor, the deputy governor and 16 directors of the bank shall be appointed by the Crown. At present there are 24 directors, who select the governor and his deputy. As has been announced, Lord Catto will continue in office and will be the first governor to be appointed by the Crown.

COMPLETE responsibility for Britain's financial policy will be vested in the Government with passage of the bill. This will be accomplished through the Crown's appointments of the board and through the provision authorizing the Treasury to give such directions to the bank as it thinks necessary in the public interest. A further provision says that the bank may, if it thinks it necessary in the public interest, request information from and make recommendations to other banks in the nation. If authorized by the Treasury the bank may also "issue directions" to any banker to make certain that effect is given to any of its requests or recommendations.

Under the bill there will be no financial loss to the 17,500 stockholders, for government obligations to be given in exchange for stockholders' bank holdings will average the same gross annual return as the bank's stock did over the past 20 years. The annual gross dividend declared during the 20 year period ended March 31, 1945 was 12 per cent. Thus stockholders will receive £400 in 3 per cent government bonds for each £100 in par value of bank stock. The government bonds will be redeemable at par on or after April 5, 1966. The stock of the bank now outstanding is valued at £58,212,000; hence, government bonds to the value of £232,848,000 will be issued.

Among the probable consequences of the bank's nationalization sooner or later will be certain technical changes in the bank's statement. The latter now reports separately on the condition of the note issue department and the banking department. This century-old separation will certainly have no logic when the entire bank is a government institution.

Whereas heretofore the Bank of England has been nominally—although not actually—less under government control than the Federal Reserve banks are in the United States, hereafter it will be nominally, but not actually, more under government control.

NATIONALIZATION of the bank is not believed to indicate any desire for direct government lending to business and industry. Earlier this year, under the Churchill coalition government, there were set up, upon Treasury and Bank of England urging, two privately owned financial institutions, not dissimilar in purpose to the "credit groups" which the A.B.A. has been sponsoring at home. It is important to note that in Britain there has been little demand that commercial and other lending be undertaken by the Government. The fact that the two institutions here referred to were set up privately at the instance of the Government is taken as proof that the Government does not want to get into the business of lending to private concerns. Announcement of the plans for the two institutions came from the Chancellor of the Exchequer himself.

The first of the above-mentioned new corporations is the Finance Corporation for Industry, Ltd., with an

authorized capital of £5,000,000 and a borrowing power of £100,000,000. The capital was subscribed one-third by insurance companies and like institutions, one-third by investment trusts, and one-third by the Bank of England. The purpose of the FCI is to supply medium and long-term capital for small and medium-sized businesses. While joint-stock banks will not participate in the corporation's capital, any sums borrowed by the corporation will be borrowed from such banks. Since only a small part of the resources of FCI is paid in, its low-cost borrowing from the banks will be its main source of funds, and it will be able to shave its lending rates very closely.

The FCI's purpose is to finance reconstruction where normal financing is unavailable; to step in where, in desirable cases, other lenders are unwilling to make sufficiently long-term or large-scale loans. As the FCI was set up, the Government was nowhere to enter the picture directly. However, since the Bank of England is a shareholder, when the bank is nationalized either it must step out of the FCI or there will be government participation in the corporation.

It may be noted in passing that the board of directors of the FCI was selected by the Government, a fact which was in keeping with the explanation given last March by the Chancellor of the Exchequer that the FCI represented part of a new technique involving such cooperation between the Government and private organizations as to promote the public interest in the presence of a positive Government policy in the economic field.

SOME people here have asked how a private credit pool like the FCI will do any better than commercial banks singly have done or would do. The answer given is said to lie in the low cost of the funds to the FCI and in the insignificant fraction of the money any individual member puts up.

The other new lending institution is the Industrial and Commercial Finance Corporation, designed as a joint-stock-bank "show." The banks supply both its capital of £15,000,000 and, when called upon to do so, its borrowings of up to £30,000,000. The ICFC is what in American parlance would be known as a small-business finance corporation. It is designed to make medium-term loans of small size—from £5,000 to £200,000. In other words, this corporation's financing would be of a size too small to be economic for the market to handle in normal course as well as loans which, considering the size of the borrower, might appear to the average bank as too risky because of their size. It goes without saying that the application must be meritorious and will not be granted automatically just because the applicant is a small business. Money lent by the ICFC may be for working capital or equity, such as preferred stock.

While it has been argued in Britain that the small borrower was not getting a square deal, it was never clear whether the complaint had any justification. Therefore, some close observers of the city are wondering whether the two new institutions will accomplish very much. They are wondering whether the banks will not simply skim off the good applicants for these types of loan, and refer only the riskier ones to the FCI or the ICFC.

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BANKING NEWS

"Encourage Saving," Says A.B.A. President Rathje

Chicago Banker Calls for Return of Thrift; Emphasizes Service to Country's Veterans

Re-establishment of the philosophy of thrift must be the keystone in the reconstruction of our economy, said Frank C. Rathje, president of the Chicago City Bank and Trust Company, in his inaugural address as president of the American Bankers Association.

"The encouragement of saving is the basic function of banking," asserted President Rathje in addressing members of the official A.B.A. family and guests.

"Through it we can better serve more people than in any other way. In recent years thrift has been overshadowed by the emergency of war, and justly so, but now the war has been gloriously won, all—government, banking, industry, and the individual citizen—should devote themselves to the rebuilding of that fundamental which is so vital to the nation's welfare."

Mr. Rathje, vice-president of the A.B.A. during the 1944-45 year, was elevated to the presidency by vote of the Executive Council, ratified by the Administrative Committee which met in New York Sept. 27 and 28 to transact Association business.

Council Elects Officers

The Council, acting under emergency provisions of the A.B.A. constitution which give the Council this responsibility when, as this year, a general convention cannot be held, also elected C. W. Bailey, president of the Bank of Clarksville, Tennessee, to the vice-presidency. S. Albert Phillips, vice-president of the First National Bank, Louisville, was made treasurer, succeeding Wilmer J. Waller, president of the Hamilton National Bank, Washington, D. C.

Also under the emergency provisions of the constitution, the executive committees of the five divisions and sections of the Association elected new officers. Their names appear elsewhere in BANKING's News Paper. All balloting was by mail.

Mr. Rathje, who was in-

stalled by his immediate predecessor in office, W. Randolph Burgess, vice-chairman of the board, The National City Bank of New York, stressed the importance of service to war veterans.

"It is my personal opinion," he said, "that if the best interests of the veterans and the country are to be served, there are certain broad principles that should be recognized as guide posts in the drafting of legislation on this subject. These principles include equal and equitable provisions for all veterans and all classes of veterans, fairness to the federal treasury, to the national economy and to the American taxpayer."

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C. W. Bailey, Widely Known Tennessee Banker, Is Elected Vice-president of the Association

C. W. Bailey, the new vice-president of the American Bankers Association is president of the First National Bank, Clarksville, Tennessee.

A native of Clarksville, Vice-president Bailey was educated in the public schools there. He was first employed by the First National Bank of Clarksville in 1904 as assistant cashier; he was elected cashier in 1908 and became president in 1920. He is also president of the Southern Trust Company of Clarksville.

He served as president of the Tennessee Bankers Association 1929-1930; was chairman for several years of the agricultural committee of the Tennessee Bankers Association, and was in that position when the Tennessee bankers first achieved the 1,000 point rating of the Agricultural Commission of the American Bankers Association.

Mr. Bailey has been president of the Tennessee Taxpayers Association since its or-

ganization in 1932. This is a statewide organization of taxpayers supported by voluntary contributions, devoted to economy and efficiency. He has served for a number of years as chairman of the agricultural committee of the Chamber of Commerce of Montgomery County, Tennessee.

During the past year Mr. Bailey was chairman of the Agricultural Commission of the American Bankers Association. He has been a member of the faculty of The Graduate School of Banking for a discussion of country banking, and an evening seminar lecturer at the resident sessions of the school.

Mr. Bailey developed the "Four Pillars of Income," an agricultural program of his bank, which has served to encourage diversified farming in the Clarksville trade area.

He has been active in numerous civic affairs.

Mr. Bailey is married and has three children.

President Rathje is congratulated by his predecessor, W. R. Burgess. Next to Mr. Rathje is Vice-president Bailey. Then comes Treasurer S. A. Phillips. Dr. Harold Stonier, A.B.A. executive manager, is at the right



S. A. Phillips Becomes Association Treasurer

Kentuckian Has Been Active in A.B.A. Work

S. Albert Phillips, A.B.A. treasurer and vice-president of the First National Bank, Louisville, Ky., was born in Laurel County, Kentucky. He was educated in the public schools and at Sue Bennett Memorial College, London, Kentucky, and Cumberland College, Williamsburg, and completed his business and commercial education at the University of Kentucky, Lexington.

His first business connection was as bookkeeper and assistant cashier with the State Bank and Trust Company, Stanford, Ky. After two years he resigned and joined the Phoenix Third National Bank of Lexington. Four years later, in 1917, he entered the credit and general accounting department of Sherwin-Williams Co., Cleveland.

World War Veteran

In 1918 Mr. Phillips joined the United States Army and was sent overseas as sergeant-major in charge of office work at a base hospital in Paris. When he returned in 1919, he became assistant cashier of the First National Bank, Corbin, Kentucky, and in 1924 he became Deputy State Banking and Securities Commissioner by appointment from the governor. In 1928 Mr. Phillips was made vice-president in charge of the bank relations department of the First National Bank of Louisville, the position he now holds.

In the activities of the American Bankers Association, Mr. Phillips has served on the Executive Council; the Membership Committee; ex officio Bank Management Commission; the Executive Committee of the National Bank Division, and as chairman of the committee 1940-1941. From 1941-1942 he was vice-president of the division, advancing to the presidency in 1942.

During the past two years he has been A.B.A. War Bond chairman for Kentucky.

Mr. Phillips has been active in civic and community affairs, having served on various public boards.

He is married and resides in Louisville.

Pick New Councilmen for Three-Year Term

Changes in A.B.A.'s Governing Body

New members of the Executive Council of the Association, elected for a three-year term, 1945-1948, include:

A. E. McLean, president, Commercial National Bank, Little Rock, Ark.; A. F. Cruse, president, Routt County National Bank, Steamboat Springs, Colo.; Linton E. Allen, president, First National Bank, Orlando, Fla.; Floyd M. Condit, president, First National Bank, Beardstown, Ill.; Paul N. Bogart, president, Merchants National Bank, Terre Haute, Ind.; A. W. Lauterbach, president, Farmers & Merchants State Bank, Colby, Kan.; Donald C. White, vice-president, First National Bank, Lewiston, Me.

W. F. Augustine, vice-president, National Shawmut Bank, Boston, Mass.; A. G. Elam, president, Southern Commercial & Savings Bank, St. Louis, Mo.; Kearney Wornall, vice-president, City National Bank & Trust Company, Kansas City, Mo.; H. Douglas Davis, vice-president, Plainfield Trust Company, Plainfield, N. J.; J. E. Robertson, president, American Bank, Carlsbad, N. M.

C. George Niebank, president, Bank of Jamestown, Jamestown, N. Y.; Myron S. Short, president, Buffalo Savings Bank, Buffalo, N. Y.; Paul M. Eliot, executive vice-president, Farmers Savings and Trust Company, Mansfield, O.; Loring L. Gelbach, president, Central National Bank, Cleveland, O.; T. C. Swarts, executive vice-president, Woodlawn Trust Company, Aliquippa, Pa.; Sylvane Freed, president, Bank of Trenton & Trust Company, Trenton, Tenn.; Warren M. Jenkins, president, First National Bank, Everett, Wash.

George D. Prentice, vice-president and cashier, Marine National Exchange Bank, Milwaukee, Wisc., and Guy Sturgeon, executive vice-president, Bank of Commerce, Sheridan, Wyo.

Some other members of the Council have not as yet been elected and will be named at meetings of their respective

At the Administrative Committee Meeting



Left to right, Messrs. Bailey, Retiring Treasurer Waller, Rathje, Burgess, Stonier, and, foreground, Ayres

Below, Messrs. Templeton (standing), Scott, McEachern, McDonnell, McClintock, McGee, Kent



state associations later this year. Other members will be appointed by President Rathje.

New national officers and division and section presidents and vice-presidents automatically become members of the Executive Council.

"Encourage Saving"

(Continued from page 48)

"It is to be borne in mind that the returning service man was a soldier yesterday, is a veteran today, and will be a civilian taxpayer tomorrow. The law should provide for such simplicity of administration that all lending institutions will be able to give equal, competent and effective serv-

ice. Meanwhile, we must continue to serve the veteran to the best of our ability with the machinery that we have in hand."

Victory Loan Aid

The new president pledged to the Government the effort of the bankers to assure success of the Victory Loan.

"The Victory Loan is our particular responsibility. We must redouble our will to sell the bonds."

Mr. Rathje asserted that as soon as conditions permitted, the Association would resume its meetings in various sections of the country. This phase of the A.B.A. work was discontinued during the war.



Norfleet Turner



M. F. Converse



J. W. Allison



H. N. Thomson

National Banks Name Turner as President

Norfleet Turner, who is the new head of the National Bank Division, is president of the First National Bank of Memphis, Memphis, Tennessee.

Mr. Turner is a native of Memphis. He received his education in the Gulf Coast Military Academy and Washington & Lee University and began his business career with the Union & Planters Bank and Trust Company, Memphis. Later he became associated with the Commerce Securities Company. In 1929 he was made vice-president and manager of the First Securities Corporation, an affiliate of the First National Bank. In 1930 he became vice-president of the First National Bank and in 1937, executive vice-president. He has been president of the bank since January 1943.

Mr. Turner is a director of the Community Fund and a director of the American Red Cross. He is a member of the Memphis Chamber of Commerce, Reserve City Bankers Association, and the Memphis Rotary Club. He is married and has two children, Norfleet Ragland and Elinor Eugenia.

Withers New Vice-President

Carl K. Withers, president, Lincoln National Bank, Newark, N. J., was made vice-president of the National Bank Division.

Members of the Executive Committee are: Dunlap C. Clark, president, American National Bank, Kalamazoo, Mich.; J. R. Evans, president, First National Bank, Poughkeepsie, N. Y.; E. G. Otey, president, First National Bank, Bluefield, W. Va.; and Fred M. Roberts, president, First National Bank, Kirkland, Wash.

Savings Bankers Elect M. F. Converse President

Myron F. Converse, elected president of the Savings Division of the American Bankers Association, was advanced from the post of vice-president of the division. He is president of the Worcester (Mass.) Five Cents Savings Bank.

Mr. Converse was born in Worcester and has spent his entire business life there. He began his career with the bank in 1894, serving successively as clerk, clerk of corporation, assistant treasurer, treasurer, vice-president, and finally president.

Mr. Converse is president of the Mutual Savings Central Fund, Inc. in Massachusetts, and vice-president of the Worcester Mutual Fire Insurance Company. He is a past president of the National Association of Mutual Savings Banks, of the Savings Banks Association of Massachusetts, and of the Massachusetts Bankers Association.

He is identified with many of the social and charitable organizations of Worcester.

Mr. Converse is married and lives in Worcester.

New Officers

Fred F. Spellissy, vice-president, Market Street National Bank, Philadelphia, was elected vice-president of the Savings Division.

Members of Executive Committee: Mills B. Lane, Jr., first vice-president, The Citizens and Southern National Bank, Atlanta; Rowland R. McElvare, executive vice-president, Bank for Savings, New York; A. W. Sands, president, Western State Bank, St. Paul, Minn.; and J. A. Terrill, secretary and treasurer, New Hampshire Savings Bank, Concord, N. H.

Allison Is President of Trust Division

James W. Allison, new president of the Trust Division, is vice-president in charge of trusts of the Equitable Trust Company, Wilmington, Del.

After his discharge from the U. S. Naval Reserve Force with the rank of Lieut. (j.g.) at the close of World War I in 1919, Mr. Allison entered trust banking as a trust department clerk in the First National Bank of Richmond, Va., which by merger in 1926 became First and Merchants National Bank of Richmond. With this institution his advancement was steady until he became vice-president and trust officer in 1934. He left that position in 1936 to assume his present post at Wilmington.

Mr. Allison's interest in activities of the American Bankers Association is extensive, particularly in the Trust Division where he has served on numerous committees during the past 15 years.

He has also been active in the Virginia Bankers Association.

Woollen Made Vice-President

The new vice-president is Evans Woollen, Jr., president, Fletcher Trust Company, Indianapolis.

Members of Executive Committee: John H. Evans, vice-president and trust officer, McDowell National Bank, Sharon, Pa.; N. Baxter Maddox, vice-president and trust officer, The First National Bank, Atlanta; John W. Remington, vice-president and trust officer, Lincoln-Rochester Trust Company, Rochester, N. Y.; Leo A. Steinhart, president, International Trust Company, Denver; and B. Magruder Wingfield, vice-president and trust officer, The National Bank of Commerce, Houston, Tex.

State Bank Division Picks H. N. Thomson

Harold N. Thomson, elected president of the State Bank Division of the American Bankers Association, was advanced from the post of vice-president of the division. He is vice-president of the Farmers and Merchants Bank at Presho, S. D.

Mr. Thomson was born in Ingallton, Illinois. He attended the South Dakota School of Mines, and Washington University in St. Louis, Missouri, receiving his Bachelor of Science degree from the latter institution in 1925. He was graduated in 1940 from The Graduate School of Banking conducted by the A.B.A. at Rutgers University.

For two terms Mr. Thomson served on the South Dakota Banking Commission.

He is also past president of the South Dakota Bankers Association.

In addition to being vice-president of the Farmers and Merchants Bank, Presho, he is vice-president of the Farmers and Merchants Bank, Wessington Springs, South Dakota.

Wilson Is Vice-President

James C. Wilson, president, First Bank and Trust Company, Perth Amboy, N. J., was made vice-president of the division.

Members of the Executive Committee are: C. E. Bennett, president, Tioga County Savings and Trust Company, Wellsboro, Pa.; Robert C. Clark, president, Bellows Falls (Vt.) Trust Company; John S. Coleman, president, Birmingham (Ala.) Trust and Savings Company; and Henry E. Schaefer, vice-president and manager, Fourth and Union Branch, Seattle Trust and Savings Bank, Seattle.



R. O. Brundage

Ray O. Brundage New Head of Secretaries

Ray O. Brundage, executive manager of the Michigan Bankers Association, heads the A.B.A. State Association Section for the next year.

Mr. Brundage began his business career with the Henderson-Ames Company in Kalamazoo, with which he was identified for 10 years. Later he became assistant to the president of the old Kalamazoo City Savings Bank, serving in that post for eight years. He then became secretary of the Chamber of Commerce in Kalamazoo, with which he served five years, and which post he left to become assistant to the president of the Kalamazoo Vegetable Parchment Paper Company.

Mr. Brundage served the state as commissioner of pardons and paroles from 1931 into 1933. The following year he became executive manager of the Michigan Bankers Association. From 1939-1940 he was president of the Central States Conference, composed of the officers of bankers associations of 14 mid-western states.

During the past year he served as vice-president of the State Association Section. Mr. Brundage has been secretary-treasurer of The Brundage Company in Kalamazoo since 1925.

Rogers Named Vice-president

J. Carlisle Rogers, vice-president, First National Bank, Leesburg, Fla., was chosen Section vice-president.

Members of Executive Committee: Paul W. Albright, general secretary, Savings Banks Association of the State of New York; Harry C. Hausman, secretary, Illinois Bankers Association; and G. Harold Welch, vice-president and trust officer, The New Haven Bank N.B.A., New Haven, Conn.

Rathje Names Five New Association Chairmen

Appointments to A.B.A. Groups Are Announced

Five new A.B.A. chairmen have been named by President Frank C. Rathje for the coming year, in addition to the reappointment of several chairmen. The new appointments are:

Commission on Country Bank Operations—WILLIAM C. REMPFER, president, First National Bank, Parkston, S. D., chairman. Mr. Rempfer headed the Commission's Subcommittee on Cost Analysis during the past year.

Credit Policy Commission—MARK A. BROWN, vice-president, Harris Trust & Savings Bank, Chicago, chairman. Previously Mr. Brown was vice-president of the Commission.

Research Council—As BANKING went to press no chairman had been named.

Subcommittee on Mortgage Financing and Urban Housing of the Committee on Federal Legislation—EARL B. SCHWULST, first vice-president, Bowery Savings Bank, New York, chairman. Mr. Schwulst has been a member of this committee during the past Association year.

Committee on Treasury War Borrowing—ROBERT V. FLEMING, president, The Riggs National Bank, Washington, D.C., chairman. Mr. Fleming previously was vice-chairman of the committee.

The Graduate School of Banking Board of Regents—LORING L. GEHLBACH, president, Central National Bank, Cleveland, chairman.

Reappointments

The reappointed chairmen are:

Agricultural Commission—C. W. BAILEY, president, First National Bank, Clarksville, Tenn.

Bank Management Commission—WILLIAM A. McDONNELL, vice-president, Mercantile-Commerce Bank & Trust Co., St. Louis.

Commerce and Marine Commission—FRED I. KENT, director, Bankers Trust Company, New York.

Economic Policy Commission—LEONARD P. AVRES, executive vice-president, The Cleveland Trust Company, Cleveland.



W. C. Rempfer



M. A. Brown



R. V. Fleming



E. B. Schwulst

Post-War Small Business Credit Commission—ROBERT M. HANES, president, Wachovia Bank and Trust Co., Winston-Salem, N. C.

Public Relations Council—WILLIAM H. NEAL, vice-president, Wachovia Bank & Trust Company, Winston-Salem, N. C.

Committee on Public Education—FRANK M. TOTTON, second vice-president, The Chase National Bank, New York City.

Advisory Committee on Special Activities—W. L. HEMINGWAY, president, Mercantile-Commerce Bank and Trust Co., St. Louis.

Consumer Credit Committee—CARL M. FLORA, vice-president, First Wisconsin National Bank, Milwaukee.

Educational Foundation in Economics, Board of Trustees—FRANCIS MARION LAW, chairman of the board, First National Bank, Houston, Texas.

Committee on Federal Legislation—F. G. ADDISON, JR., president, Security Savings and Commercial Bank, Washington, D. C., chairman, and CLYDE D. HARRIS, president, First National Bank, Girardeau, Mo., vice-chairman.

Subcommittee on Agricultural Credit—J. N. THOMSON, vice-president and cashier, Bank of Centerville, S. D., chairman.

Subcommittee on Bankruptcy—HOMER J. LIVINGSTON, vice-



L. I. Gelbach

president, First National Bank, Chicago, chairman.

Subcommittee on Federal Deposit Insurance Study—CLAUDE E. BENNETT, president, Tioga County Savings and Trust Company, Wellsboro, Pennsylvania.

Subcommittee on Postal Savings System—EUGENE ABEGG, president, Illinois National Bank and Trust Company, Rockford.

Subcommittee on Section 5219 U. S. Revised Statutes—FRANCIS H. BEAM, vice-president, National City Bank, Cleveland.

Subcommittee on Social Security—R. E. REICHERT, president, Ann Arbor Bank, Ann Arbor, Mich.

Subcommittee on Taxation—C. FRANCIS COCKE, president, First National Exchange Bank, Roanoke, Va.

Insurance and Protective
(Continued on page 52)

A.B.A. Promotes Three to Deputy Managerships; Other Staff Changes Announced

The Administrative Committee of the American Bankers Association, at its meeting in New York late in September, approved several A.B.A. staff promotions.

New deputy managers are J. R. Dunkerley, secretary of the Savings Division and the Organization Committee; John B. Mack, Jr., manager of the Advertising Department; and William T. Wilson, secretary of the State Association Section.

George Y. Jarvis was made secretary of the Agricultural Commission; Howard B. Smith, assistant director of the Research Mortgage and Real Estate Finance Department; Charles E. Orcutt, an assistant secretary of the Trust Division; George Amy, assistant secretary of the Country Bank Commission; and Robert Rutherford, assistant secretary of the American Institute of Banking.

Rathje Names Five New Chairmen

(Continued from page 51)

Committee—FREDERICK B. POST, president, State Savings Bank, Ionia, Mich., chairman.

Organization Committee—R. L. DOMINICK, president, Traders Gate City National Bank, Kansas City, Mo., chairman.

Ration Coupon Banking—WILBUR F. LAWSON, vice-president, First National Bank, Boston, chairman.

Committee on Service for War Veterans—CHESTER R. DAVIS, vice-president, Chicago Title and Trust Co., Chicago, chairman.

Special Subcommittee on War Bond Redemption—NELSON B. O'NEAL, vice-president, The Riggs National Bank, Washington, D. C., chairman.

Committee on State Legislation—G. O. THORPE, executive vice-president, First and Lumbersmen's National Bank, Chippewa Falls, Wisc., chairman.

Committee on War Bond Drives—FRANCIS M. KNIGHT, vice-president, Continental Illinois National Bank and Trust Co., Chicago, chairman, and FRED M. NABER, vice-president, Continental Illinois National Bank and Trust Co., Chicago, vice-chairman.



W. T. Wilson



J. B. Mack, Jr.



J. R. Dunkerley



C. E. Orcutt



H. B. Smith



Robert Rutherford



George Amy



George Y. Jarvis

A.B.A. Farm Group to meet in Omaha

A joint meeting of the A.B.A. Agricultural Commission and of the Subcommittee on Agricultural Credit of the Federal Legislative Committee will be held in Omaha, Nebr., on Nov. 15, 16 and 17 to discuss its future plans.

A.B.A. Moving to Larger Quarters About Dec. 1; New Address Is 12 East 36th Street, N. Y. C.

The marked expansion of banking services to the public, which has taken place all over the country and which has found expression in the growth of the American Bankers Association, is reflected in the removal of the Association's national headquarters to the Combustion Engineering Building at 12 East 36th Street, which is planned for the end of this year, John J. Rooney, comptroller of the A.B.A., has announced.

To provide for needed space, the Association has taken the entire ninth floor of the building. The new quarters will provide 20 per cent more floor

space to carry on the Association's increasing activities in behalf of its more than 15,000 member banks.

These activities have resulted in the recent creation of such departments as the Post-War Small Business Credit Commission and the Country Bank Operations Commission, and enlargement of the programs of older departments, among which are its Agricultural Commission, Bank Management Commission, Consumer Credit Committee, and the American Institute of Banking.

In the 71 years since its organization, the A.B.A. has

moved its national headquarters only three times before, and, as it does this time, the change reflected the growth and popularization of bank services. The Association has occupied its present 40th Street offices for almost 15 years.

By virtue of being able to locate all of the national headquarters on one floor, it will be possible to provide for a more efficient layout of the Association's departments, now occupying three floors at the 40th Street location. Plans now being carried out in remodeling of the new space follow the office design now employed in many of the modern banking rooms.

The A.B.A. offices will be moved about Dec. 1.

THE VIEW FROM HERE

WINTHROP W. ALDRICH, chairman of Chase National Bank, said after his return from London that our responsibility to our European Allies, notably Britain, did not terminate with the end of the war, and that in exchange for U. S. aid, England should end the sterling area, thus opening it to American trade.

★ ★

Following a nationwide trend, Chemical Bank and Trust Company and Continental Bank and Trust Company, both of New York, recently announced 25 per cent stock dividends.

★ ★

In an exchange of notes between Fred M. Vinson, Secretary of the Treasury, and French Minister of Finance Plevin, the United States lifted a good portion of its controls from transactions with France, and Paris liberalized its regulations on transfers as well. American property in France will be unblocked immediately.

★ ★

The Willow Run automobiles to be made by Henry J. Kaiser and Joseph W. Frazer will be financed by whatever arrangements their dealers will see fit to make, Mr. Frazer indicated. The new company will have no insurance or finance company tie-up of its own. Mass output is due in March.

★ ★

In a survey made by the Foreign Credit Interchange Bureau of the National Association of Credit Men, covering the first half of the year, Brazil shares honors with Cuba and Mexico as the best credit risks in Latin America. In the "prompt" collection group were Brazil, Colombia, Cuba, Dominican Republic, Guatemala, Haiti, Mexico, Netherlands possessions, Panama, Peru and Puerto Rico.

★ ★

Unemployment statistics and trade reports show a better situation than pessimists feared, but labor rifts raise serious questions, according to the monthly letter of National City Bank of New York.

★ ★

Swiss banking troubles, as a result of frozen assets in Germany, are believed largely remedied by proposed absorption of Banque Commerce de Bale by Swiss Bank Corporation and by merger of Banque Federale into Union Bank of Switzerland.

★ ★

Nationwide Saturday bank closings are being fought for regionally by unions aspiring for bank staff membership. Week-end closings, at least during the Summer, are being discussed in several cities by managements with favorable action taken by some.

★ ★

Taking over of more than two score Japanese banks by American authorities leaves Japan's banking situation of the future as much of an unknown quantity as the German one. In the Reich assets and liabilities are

as yet undetermined. While some institutions in the British and American zones do a restricted business, the Soviet administration works on different principles.

★ ★

Following reinstatement of banking and insurance services in the Philippines, the Singapore branch of National City Bank of New York has reopened. American Express Company is doing business again in more than a dozen European cities and in the Middle East. Chase National Bank will shortly reopen Peiping and Tientsin branches.

★ ★

The fourteenth annual report of the Bank for International Settlements, just published, notes the inflationary trend apparent in every country, ranging from a 10,295 per cent rise over 1939 levels in the cost of commodities in China to a 36 per cent gain in the United States. Increased national debts accelerated this tendency, the bank reports.

★ ★

The Institute of Export which includes nearly every important trade organization in Great Britain proposes to transform the center of London, now partly grown over with grass and weeds, into a permanent international fair to take the place of devastated Leipzig, Germany.

★ ★

The New York Stock Exchange has reached the initial stages of preparing a sound motion picture combining high entertainment value and accurate information about the largest securities auction market in the world, Emil Schram, president, and ex-chairman of the RFC, said the other day. Speaking of the Exchange's new public relations program, and despite its success up to now, Mr. Schram expects it will take three years for definite results to crystallize.

★ ★

Along with other liberated countries, the Netherlands, Denmark and Norway are engaged in huge exchange operations of new money for old. A by-product of this process is the discovery of illegitimately acquired holdings.

★ ★

The United States has a good chance of achieving reconversion without mass unemployment, according to the views of six economists participating in a symposium on "Financing American Prosperity" by the Twentieth Century Fund.

★ ★

Comparative figures of operating earnings and expenses of all Canadian banks for two years, show a gain of nearly \$9,000,000 in interest and profits on securities. This reflects larger holdings of governments, while lower interest rates on commercial and other loans is chiefly responsible for a drop of \$3,000,000 in earnings from loans.



JESSIE E. HARTMAN FOR FORTUNE

Vice-president Bailey is an accomplished horseman and is familiar with all the by-paths around Clarksville



Mrs. Mollie Bailey Embrey (daughter), Mrs. Bailey and C. W. at the front of the Bailey home in Clarksville

A 7:30 A.M. meeting of Bill Bailey with other First National officers, a daily custom at the Clarksville bank

JESSIE E. HARTMAN FOR FORTUNE



The New Vice-President

His leadership in sponsoring and promoting sound agricultural procedure and improved crop and cattle production not only in Tennessee, but throughout the nation, has been so widely publicized by the banking press, including **BANKING**, and other leading national publications, such as "Country Gentleman," "Reader's Digest," and "Fortune Magazine," that an introduction of C. W. Bailey, president of the First National Bank and of the Southern Trust Company of Clarksville, as the newly elected vice-president of the American Bankers Association seems almost unnecessary.

It is indeed fortunate that it was not Bill Bailey's nature to confine his talents to the First National Bank, with which he has been associated for 41 years and its president for the past 25 years, for he had a contribution to make to the betterment of our banking system and the national economy which could not reach its complete fruition in the Clarksville community.

Before his entry upon the broader arena of public affairs, Vice-president Bailey was prominent not only in the civic affairs of his home county, but in his state as well. He is a past president of the Rotary Club of Clarksville and has served as district governor of the Rotary International; he is one of the organizers of the Tennessee Taxpayers Association and has been its only president since its founding in 1932; he has been active in Red Cross roll calls and Boy Scout activities in his community.

For seven years he has been a member of the board of directors of the Nashville Branch of the Federal Reserve Bank of Atlanta, and since the creation of the War Finance Committees, he has served as co-chairman of the War Bond drives in Montgomery County.

The new vice-president brings to the important office a wealth of practical experience in banking and banking association activities. The "Four Pillars of Income"

Mr. Bailey, in straw hat by ramp, helps unload Montana Crossbred ewes arriving for distribution to farmers





Franklin Street, in Clarksville, Tennessee, where the "Four Pillars of Income" program had its birth

program initiated by him a few years ago and sponsored by the First National Bank throughout the Clarksville area was so sensible and logical that it had the effect of catapulting him into national banking leadership.

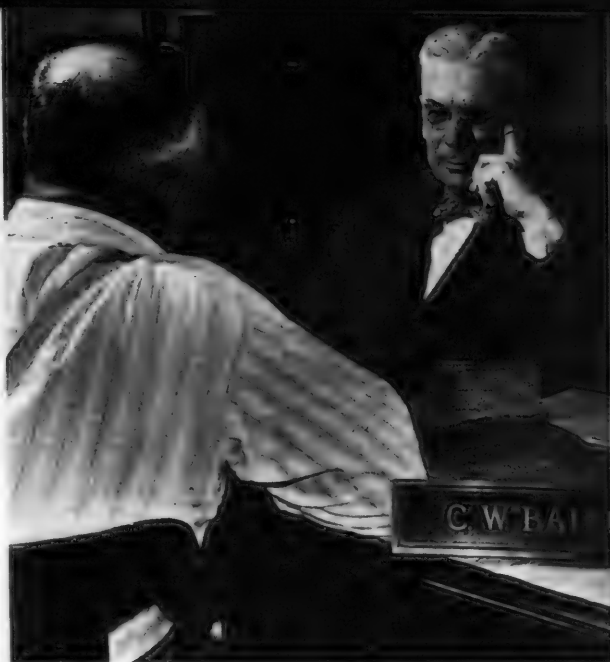
Bill Bailey served as president of the Tennessee Bankers Association from 1929 to 1930; was chairman for several years of the agricultural committee of the Tennessee association, and was in that position in 1937 when his state first achieved the 1,000-point rating of the Agricultural Commission of the A.B.A.

As chairman throughout most of the war period of the A.B.A.'s Food-for-Freedom Committee, Bill Bailey provided country bankers with the inspiration and leadership in the job they did so well in assisting farmers in interpreting government agricultural production goals, in stimulating farmer interest in carrying through on this essential wartime job, and in supplying needed agricultural production financing. During the past year he has been chairman of the Association's Agricultural Commission and has had an active part in laying the groundwork of its five-point program. He will continue to serve as Commission chairman during the ensuing year.

Vice-president Bailey, now in his sixties, was born in Clarksville and was educated in its public schools. As a member of the faculty of and as a seminar speaker at The Graduate School of Banking, jointly conducted by the American Bankers Association and Rutgers University, at New Brunswick, New Jersey, he draws large audiences.

The vice-president is married and has three children.

This picture of Mr. Bailey is from the movie "Tennessee Banker," in which he has the leading role



JESSIE E. HARTMAN FOR FORTUNE

Bill Bailey talks things over at the bank with Hardy Atkins, a prominent Montgomery County livestock dealer

"Tennessee Banker"

*V*ICE-PRESIDENT Bailey has been chosen by the Office of Inter-American Affairs of the U. S. State Department, in Washington, from a sizable list of country bankers with outstanding leadership and performance records, as the central character in a 25-minute motion picture, now in production at Clarksville for release in Latin American countries.

This production, tentatively titled, "Tennessee Banker," is designed to give, by example, practical suggestions to the bankers of the countries below the Rio Grande on how they can assist their large agrarian populations in raising their agricultural production and marketing standards, thereby raising the living standards of all Latin American countries.

The commentary accompanying this motion picture will be in both Spanish and Portuguese, and negotiations are under way for an English version for release in the United States.

"Action on the Home Front," by J. P. McEvoy, appearing in April 1944 *BANKING* and reprinted in "Reader's Digest" of the same month, describing Vice-president Bailey's "Four Pillars of Income" program, was used by the Office of Inter-American Affairs as the basis for the script for "Tennessee Banker." The film is being produced by the Emerson Yorke Studio in New York City and directed by Howard O'Neill, formerly of MGM and recently discharged from the Navy after three years of service as chief editor of the Navy's combat films. George Stoetzel, well-known cameraman, is handling the camera.



Take Our Bank, for Example

JOHN J. McCANN

Lefties

HERE'S a new one: FEDERATION BANK AND TRUST COMPANY of New York recently announced a special checkbook designed for south-paws—blank checks on the left, stubs on the right, just the reverse of conventional forms. Copy added: "It sounds far-fetched, but you'd be surprised to know how many persons are left-handed . . . This isn't a stunt. It's that we are trying to be of special service to all our customers . . . including the left-handed ones."

Printer's Ink was especially impressed, commenting: "So in this grand post-war reconstruction and reconversion age, the customer once again is always right—even if he's not right-handed."

100th Anniversary

A bronze plaque quoting the 100-year-old prediction of John C. Calhoun, brilliant southern statesman, of Atlanta's growth into the industrial, business and banking center of the Southeast was unveiled recently at the TRUST COMPANY of GEORGIA building in the first ceremony marking the city's 100th anniversary.

The Atlanta Historical Society arranged the ceremony with the cooperation of Robert Strickland, president of the trust company, and Mayor William B. Hartsfield formally accepted the plaque from its donor, H. A. Alexander, now president of the Society. He had it cast for the city several years ago.

Mr. Alexander requested that the

Loring L. Gehlbach, president, Central National Bank of Cleveland, left, shown accepting the "Oscar" award from Weston Smith, vice-president, *Financial World*



plaque be placed on the trust company building "because it has been an important business site for more than 100 years, and its location in the heart of Atlanta will allow every one to see it." The first store in Atlanta was located on the present site of the building, Mr. Alexander pointed out, and the building was the first skyscraper constructed in the city.

The bank prepared a brochure on Atlanta's 100th anniversary, depicting graphically Calhoun's prediction that the city's strategic location at the foot of the mountains would lead to its development as the railroad crossroads of the South.

"Oscars"

Two Ohio banks were honored last month in the annual award of "Oscars" for the 100 best annual reports in

American industry by the *Financial World* of New York City. The CENTRAL NATIONAL BANK of Cleveland was accorded first, and FIFTH THIRD TRUST COMPANY of Cincinnati won second honors among bank report books issued in 1945 and submitted to the contest judges. The "Oscars" are sculptured plaques, patterned after the Hollywood statuettes of movie fame, and are suitable for desk display or use as book ends.

More than 2,500 reports were submitted for the competition by corporations throughout the United States and judging was made from the standpoint of content, format, typography, and the fostering of constructive customer relations.

The central theme of the report, after report on operations, was the social importance of bank loans, showing the relationship between the financial activities of the community and the maintenance of its various enterprises. The report paid tribute to the men and women of Greater Cleveland who serve on its educational and cultural institutions, its philanthropic and social agencies as trustees and directors by an alphabetical display of their names on the report's cover.

Playbill

The other day the mailbag contained a program of the "Paper Mill Playhouse," and we didn't catch on very fast. With all the typical make-up

(CONTINUED ON PAGE 79)



On the 100th anniversary of Atlanta, Ga., Mayor William B. Hartsfield unveils a plaque on the Trust Company of Georgia building, quoting John C. Calhoun's prediction of the city's growth

WASHINGTON



U. V. WILCOX

A Washington reporter and analyst surveys the current scene in the nation's capital.

THE Washington picture is overcast with the clouds of inflation. They are rosy hued or dark and depressing, depending upon individual interpretation of the word, the aims of a pressure group, and the political belief of those who see them.

In a democracy, political expediency is something to be reckoned with. So there are warnings against inflation, while blocs and pressure groups acclaim programs which are inflationary.

There are Cabinet officials who say they favor higher wages because they fear deflation more than inflation. There are other high officials who argue for lower taxes—increased government spending. There are government bureaus to hold down the prices on manufactured articles, and other government bureaus which favor the shortening of hours with the lifting of wage scales.

Loan to Britain Meanwhile, long and tedious conferences have been held, perfecting a program of lending to the nation's closest ally, Great Britain. With the conference of experts over, the political battle begins, designed to persuade a nationalist-minded Congress to vote some \$5 billion for a long term loan. When the vote is counted, if favorable, there will follow similar conferences leading up to another political contest on behalf of a loan to Russia—provided that by that time the diplomatic atmosphere has cleared and a better and more enduring fellowship has been achieved with Soviet Union.

Such are the broad outlines of financial events as they were woven into the Washington pattern. The color and the texture are supplied by the dominant personalities which make this city the delightful confusion which it is. For example, President Truman likes to travel and he likes to talk, and he prefers that other members of his official family make decisions on pressing issues.

John Snyder's Big Job A banker is the Reconversion Director. He is being increasingly weighed down with duties. He is having to make key decisions. Many are so important and so pregnant with economic consequences as to startle, if

not frighten, many an observer. It is no exaggeration to say that his decisions will affect the national economy and shape the financial future even more than those of the President.

Meanwhile Congress, numerically controlled by the Democratic Party, votes more on political than on geographical lines. And this geography is in turn fundamentally economic. There is the conservatism of the South. There is the dominating agricultural and livestock interests of the sweeping plains of the Mid-West, while manufacturing, oil, lumber and shipping, surround the whole. The dominating pressure groups of these varied interests sit with the members of Congress and help to shape their votes, regardless of party labels.

Such are the highlights of the picture here, over which hover the clouds of inflation.

"Order of the Day" On this there is the opinion of Representative Fred L. Crawford, Michigan.

He has been in Congress a long time, and he ranks high on several important committees which deal with financial matters.

In a letter to his constituents, he said:

"Make no mistake about present trends. Inflation is the order of the day. President Truman sprang the inflation trap in his recent message to Congress."

Representative Crawford noted the presidential proposal that congressional salaries be doubled. He termed it inflationary and "fantastic," and said that the stock market had so appraised the trend. He forecast "additional deficit financing" and the "pouring of more dollars into the hands of the people to be used as economic fertilizer for more inflation."

This letter to Michigan voters observed that it is difficult to get today any articles of a manufactured nature; that while there is talk about 10 million new homes, the labor costs for the work of masons, carpenters and plumbers puts construction realities beyond the reach of the average person. "In spite of the liquid savings accumulated during the last four years of deficit financing," large scale home construction is little more than a dream. Yet he believes the wages of workers in the construction and manufacturing industries will rise. The farm and white collar groups will equitably demand increases. "So, the spiral will begin to operate and

(CONTINUED ON PAGE 60)

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Washington

(CONTINUED FROM PAGE 57)

no stabilization agency in the form of OPA, or otherwise, can possibly prevent additional price increases."

What About Taxes? The trend of developments in detail are no less interesting. There is the matter of taxes:

The House has passed and the Senate will acquiesce in tax reductions of around \$5 billion. Secretary Vinson has publicly recommended that the excess profits tax be repealed as an aid to recovery. The only reason, he said, for proposing such a reduction "when the Federal Government is still running a large deficit, is the promotion of a vital, invigorated peacetime economy."

It is estimated that total government expenditures will run about \$66,500,000,000 of which \$50,500,000,000 represents the cost of war activities. If there were no change at all in taxes, the Treasury would take in \$36 billion, leaving a deficit of \$30,500,000,000. Mr. Vinson said this gap between intake and outgo will narrow as war expenditures taper off, so that toward the end of next year the deficit will be substantially smaller.

The Secretary of the Treasury recognized "the cross-currents of inflation and deflation, to which our economy will be subject during the reconversion period." Therefore "we cannot afford to abandon our safeguards against inflation." Elimination of the excess profits tax will help reconversion by stimulating production.

"Today we are starved for new houses, new cars, new radios, and the like," said Mr. Vinson. "The best defense against the use of our wartime savings to bid up prices on these scarce items is to remove the scarcity. Production and more production is the key. To this end the elimination of the repressive influence of the excess profits tax will make a real contribution."

The Housing Front On the housing front, basic controls of the War Production Board have been removed, despite protests of the Office of Price Administration that the step was inflationary. As an offset, Reconversion Director Snyder asked that

President Truman confers with Reconversion Director Snyder, left, and Secretary of Labor Schwollenbach



HARRIS & EWING



HARRIS & EWING

The Secretary of the Treasury places his tax problems before the Senate Finance Committee

financial institutions decline to make high loans on real estate. Chester Bowles of the OPA said he would ask Congress for authority to set ceilings on homes.

Proposals have been made designed to prevent rapid increases in construction costs. Meanwhile there is talk, but no action, of a high capital gains tax on property held less than two years and an excess profits tax aimed at builders.

Senator Wagner of New York, chairman of the Senate Banking Committee, is talking about early action on a public housing bill. This is the measure designed to provide homes for those in the lower income brackets. A new form of financing is now proposed, which, it is hoped, will prove attractive to private investors. The Federal Government, however, would be responsible in the last analysis.

In this connection, the Federal Reserve Board has removed credit controls over repairs of homes. This was a revision of its Regulation W, long discussed, praised and blamed. It did not go much farther than to remove the restrictions on credit modernization and repair, although it eased slightly the technicalities relative to "purpose" loans.

Key Bills and Banking Among the bills pending before Congress, or in process of discussion, there are few which are primarily connected with banking. On the other hand, most of the key bills have a direct bearing on the nation's economic condition. To that extent they affect banking. In this category are such measures as the Full Employment Bill. It has passed the Senate in an amended form which is disliked by a group of 100 Congressmen now seeking early action in the House. The Senate tied in with the measure a requirement that if public works are resorted to as a means of stimulating employment, provision must be made in the tax law for off-setting national income. Those favoring the original measure insist that such an amendment overlooks human needs which are made subsidiary to financial needs.

Another broad proposal is the President's request for a bill which would make possible a maximum payment

(CONTINUED ON PAGE 136)

The Country Banker



Country Bank Achievement Record

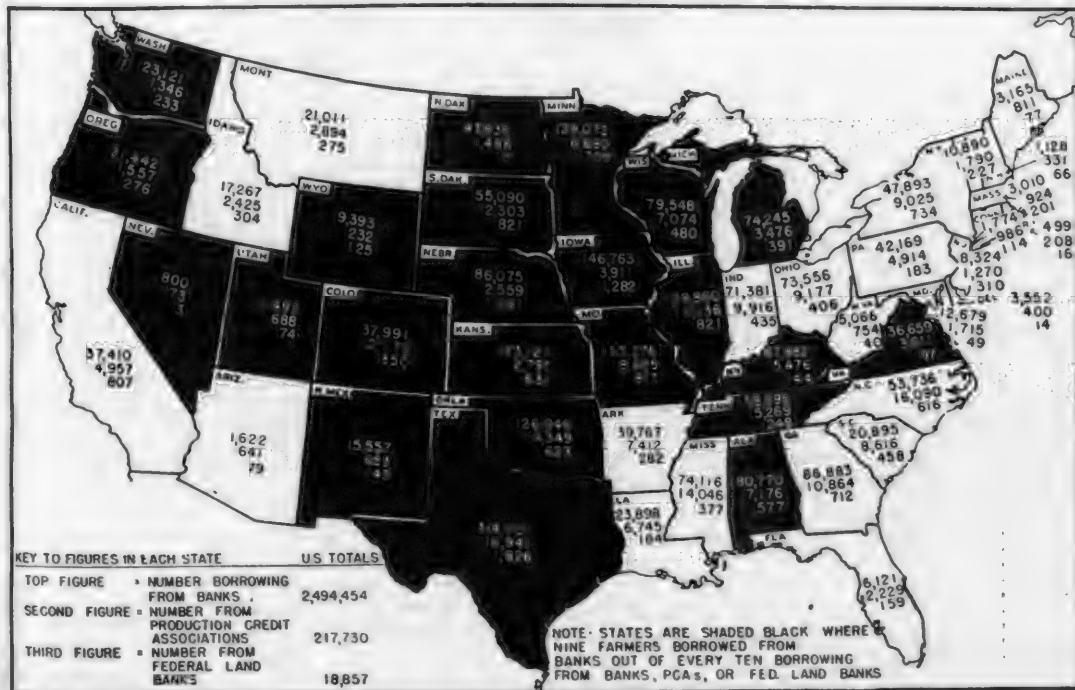
BANKS of 40 states will officially receive the 1,000 point award of the Agricultural Commission of the American Bankers Association for exceptional, "regular," and "extra" services in support of agriculture during 1944-45, it was announced today by C. W. Bailey, chairman of the commission, who is also president of the First National Bank, Clarksville, Tennessee. The awards will be officially made at the annual executive meeting of the commission in Omaha, Nebraska, on November 17.

State bankers Associations, which will receive the award on behalf of their country banks, have cooperated wholeheartedly in the national program of the Associa-

tion, "Help Keep Agriculture Financially Sound," which in future years will prove of immense benefit to the 6,097,000 farm families of America. These farm families will be better able to meet the problems of the first years of peace because they own substantial savings in War Bonds and bank deposits and because the inventory value of their crops and livestock is generally larger than the value existing at the close of World War I.

These financial reserves are one of the immediate goals of the A.B.A.'s national program, which are: (1) Help farmers build and maintain financial reserves through planned savings in War Bonds and bank accounts; (2) work to prevent a farm land price boom; (3) give all out

FARMERS BORROWING FROM BANKS, PCA's, AND FEDERAL LAND BANKS, AT ANY TIME IN 1944



support to make farm provisions of the GI act workable; and (4) keep farm debts at a safe level. Of equal importance are the long term aims of the program: (a) Development of adequate banking and credit services for farmers designed to fit the needs of farm operations; (b) increasing of farm incomes through diversified and well balanced production; (c) improving and conserving the fertility of the soil.

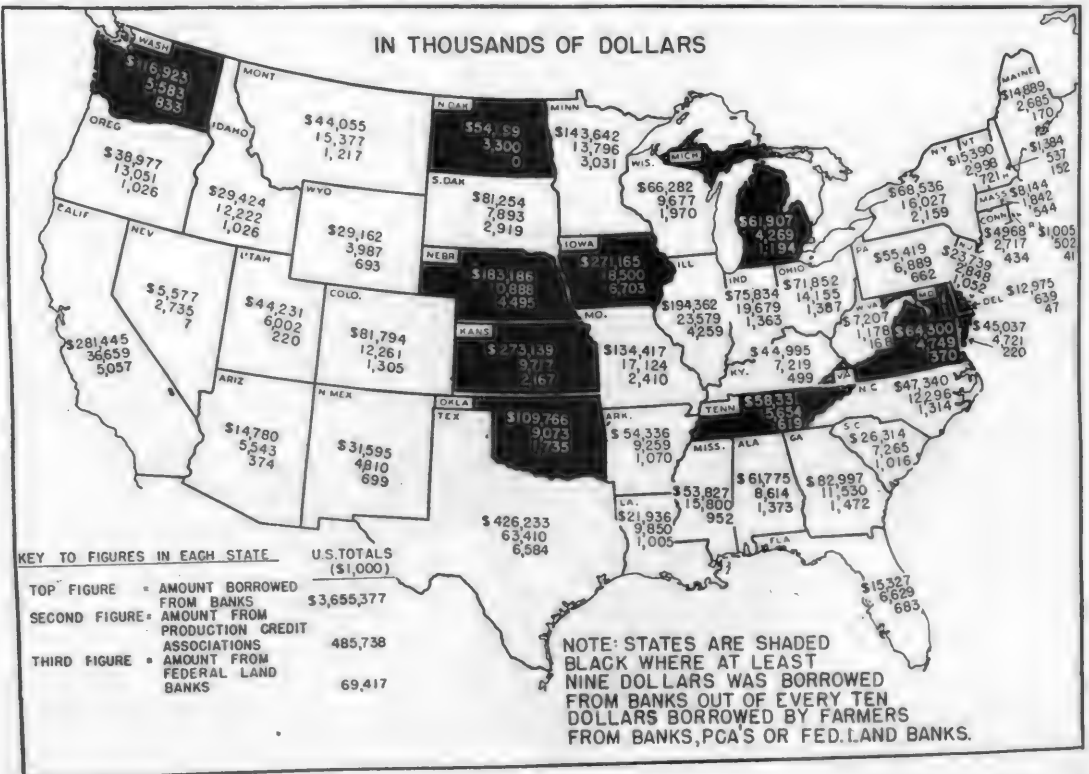
Country banks throughout the nation have been successful in achieving the second of their immediate objectives, which is to prevent a farm land price boom such as occurred following World War I. In July of this year, average farm land prices the country over were 45 per cent above the pre-war average. The commission, however, is currently warning country banks that victory over Japan has not ended the threat of the land price boom. The greatest inflation of farm product prices and values of farm real estate at the time of World War I occurred not during the war but after the shooting stopped. The sharp decline to levels of 1933 brought disaster to many farmers who over-extended themselves to buy more high priced land or to make improvements which could not be made on normal farm income. Country banks and their farm customers are participating in a program in which farmers are using wartime income to pay debts and are making investments in War Bonds for the future while they finance current operations from

farm income by making use of bank credit. Under the influence of heavy wartime cash sales of all agricultural products, American farmers have needed to use only about a fourth of the bank credit available to them. Figures from the current 1,000 point program survey show that in all of the states the total volume of farm loans outstanding on January 1, 1945 was \$2,236,738,000 and that the banks had an additional \$6,391,296,000 available for loans to farmers if there had been a demand for such loans. The strong financial position of agriculture is indicated by the fact that only 2,494,454 farmers, or 41 per cent of all the American farmers, found it necessary to use bank credit during the year.

Use of bank credit reflects the regional farm operations of the various geographical divisions of the nation. In the primary agricultural North Central States, 1,166,629 or 55.6 per cent of the farmers used bank credit, compared with the industrialized North Atlantic States where only 24.6 per cent of the farmers needed to borrow to carry on farm operations. That the country banks of America have ample capacity to serve their farm customers with all needed credit is indicated by a special study of reports from 6,185 banks which had 81 per cent as much cash and United States securities as they had deposits at the beginning of this year, compared with the same banks which in 1929 had only 28 per cent as much

(CONTINUED ON PAGE 126)

AMOUNTS BORROWED BY FARMERS FROM BANKS, PCA's AND FEDERAL LAND BANKS, AT ANY TIME IN 1944



The Bank that Kudzu Built

HAROLD SEVERSON

The author, associate editor of the Southern Agriculturist, published in Nashville, Tennessee, and a frequent contributor to BANKING, reports that he was led to write this article because of the alarming soil erosion in the Piedmont section of Alabama, where, he says, he has "talked with a number of bankers and they're all out in favor of soil conservation work." MR. SEVERSON states that the soil in this area is "being washed away so rapidly that immediate steps are vitally necessary"; that the gullies are "so large some people dub them the 'grand canyons of soil erosion.'" He tells here of the work being done by William E. Carpenter, president, Farmers and Merchants Bank of Lineville, Alabama, to stem the tide of soil wastage.

PROMINENTLY displayed in the lobby of the Farmers and Merchants Bank of Lineville, Alabama, is a banner with this arresting message: "If we lose our soil, we lose the foundation of everything."

William E. Carpenter, president of the bank, believes implicitly in that slogan. Bitter experience has taught him that soil erosion is the worst enemy of an agricultural community in the red clay hill region of the South. He knows that unless the soil is kept from washing away, farm incomes will drop steadily. For when that happens, the entire county suffers.

For those reasons, Mr. Carpenter enlisted wholeheartedly in the campaign to promote soil conservation programs in Clay County. For two decades he has been urging hill farmers to plant cover crops, construct terraces, and make permanent pastures out of hillside fields. Working hand-in-hand with the county agent and technicians from the Soil Conservation Service, he has freely lent his influence and financial support toward persuading farmers to follow the advice supplied by George M. Burns, work unit conservationist, and W. H. Cowen and H. L. McQueen, the agricultural agents for Clay County.

TODAY it's impossible ever to get out of sight of kudzu-draped hills and draws in Clay County. Kudzu, along with *lespedeza sericea*, is doing a marvelous job of tying down the topsoil that would otherwise be washed by heavy rains into the small streams. And because of Mr. Carpenter's unflagging support in promoting kudzu and *sericea*, his institution today is known as the "bank that kudzu built."

Discussing Mr. Carpenter's contributions to a more successful agricultural program in Clay County, George Burns observed:

"He was willing to work with farmers and government agricultural workers when it wasn't popular to be a friend of the farmer. He saw the importance of pushing soil conservation work in Clay County and he really pitched in and helped us."

"Back in 1925," Mr. Carpenter reminisced, "we were



Soil conservation sign in the lobby of the Farmers and Merchants Bank. L. to r., Soil Conservation Supervisors O. L. Cotney and George M. Burns, and President W. E. Carpenter

face to face with disaster. Although our county is very hilly, farmers insisted on planting row crops on slopes meant only for pastures or woodlots. We were losing ground so rapidly that a farm improvement program was imperative."

One of his first moves was to get acquainted with farm people. He bought a light touring car in order to get across the rough country roads and began visiting every nook and cranny. He found that most of the farmers owned their small farms and that the majority of them, whether owners or renters, were white people.

"We quickly realized the importance of becoming closely acquainted with farm people," he stated. "When considering a loan for a young man wanting to buy a farm, it makes a big difference whether he has a good wife or an indifferent one. It also pays to know the kind of people from whom she came. A wife exercises a great deal of influence in paying off a family debt. We have a few young men who were perfectly good for their contracts prior to their marriages, but who later slipped. Their wives were to blame."

Mr. Carpenter usually makes it a rule to have both husband and wife make the debt. The latter then takes a greater interest in it.

"We're encouraging farmers to make small loans with which to purchase milk cows, provided they have kudzu or some other kind of pasturage," he remarked. "In that way, they get monthly or semi-monthly pay checks. Those milk checks are worth a great deal to both farmers and merchants for they help to eliminate long-time credit."

Back in 1928, Mr. Carpenter helped to promote the State Demonstration Farm operated in connection with

(CONTINUED ON PAGE 118)

News Around and About

Merchandising . . . Bank Operations . . . Legislation . . . Better Farming

Correspondent Bank Relationship Study Results

IN AN effort to develop a mutual understanding of the responsibilities and opportunities involved in correspondent banking, the Country Bank Operations Commission recently completed a survey of country bank thinking on this important function and more than 2,500 representative country banks participated in the study.

An important highlight of the survey was the reply of country banks to the question: "What correspondent services—in order of importance to you—are you now using and what would you use if made available?"

The following is a tabulation of the replies:

<i>Now Using (In Order of Importance)</i>		<i>Would Use If Offered (In Order of Importance)</i>
(1)	Bond portfolio advice	(2)
(2)	Cooperation in making loans	(1)
(3)	Tax advice	(4)
(4)	Survey of operating procedures	(5)
(5)	Mechanization of operations	(13)
(6)	Aid in installing consumer credit	(3)
(7)	Trust services	(22)
(8)	Information on new type of loans (term, etc.)	(6)
(9)	Improved credit appraisal	(7)
(10)	Publications, manuals, service bulletins, etc.	(21)
(11)	Cost controls and accounting	(9)
(12)	Publicity and public relations	(8)
(13)	Insurance protection	(15)
(14)	Post-war credit surveys	(17)
(15)	Research	(19)
(16)	Advertising copy	(10)
(17)	Modernization of bank building and layout	(11)
(18)	Audit systems	(18)
(19)	Job evaluation, pension, and profit sharing plans	(14)
(20)	Better use of available manpower	(16)
(21)	Improved loan collecting methods	(12)
(22)	Safekeeping	(23)
(23)	Post-war plans for employees now in service	(20)



At the organization meeting of the Commission on Country Bank Operations in Chicago October 15-17, l. to r., A.B.A. President Frank C. Rathje; K. J. McDonald, president, Iowa Trust and Savings Bank, Estherville; Chairman William C. Rempfer; A.B.A. Vice-president C. W. Bailey; and Commission Secretary J. E. Drew

Bill Rempfer Heads Operations Commission

Backed by 40 years' experience in country banking, William C. (Bill) Rempfer, president of the First National Bank, Parkston, South Dakota, has taken over the responsibility of directing the activities of the Country Bank Operations Commission following his appointment as chairman by President Rathje. He succeeds K. J. McDonald who will continue to serve as a member of the Commission.

Bill Rempfer's colorful, genial personality and recognized ability have made him widely known in country banking. A native of Parkston, South Dakota, he obtained his A.B. degree at Dakota Wesleyan University and was later graduated from Harvard Law School earning his LL.B. cum laude. Among his classmates at Harvard were Winthrop Aldrich and Robert T. Swaine. Apart from top scholastic honors he earned distinction in many fields of collegiate activity, two years debate team, varsity baseball and four years South Dakota intercollegiate tennis champion, singles and doubles.

Politics are not unknown to Bill as he has served as assistant secretary of both the South Dakota House of Representatives and the Senate later becoming Superior Court judge in his Hutchinson County. He also held the post of State's Attorney for the county for six years and was president of the Parkston Board of Education for several terms.

A past president of the South Dakota Bankers Association and a long time chairman of its State Bank

(CONTINUED ON PAGE 66)

A NEW AGE IN FARM BUILDINGS BEGINS RIGHT HERE!



THE "Quonset 40"

Framed with steel and covered with steel—proof against sagging, warping, rotting and termites—the "Quonset 40" is ideal for farm use. Yet, with all its obvious advantages of strength, permanence and fire-safety, this quality steel building costs no more than a wooden building of comparable size.

The answer to the low cost of the "Quonset 40" lies in the efficiency and economy of the Stran-Steel arch-rib framing system, with its patented nailing groove in studs and joists that permits siding and roofing to be nailed on speedily and permanently. Stran-Steel construction has been tested and proved in thousands of military "Quonsets" produced by Great Lakes Steel for the armed forces. It provides a building that is "better from the ground up"—sturdier, longer-lasting easier to erect, use and maintain.

The standard "Quonset 40" is a clear-span building 40' wide and as long as you want it—40', 60', 80', 100', etc.—with a free-rolling 12'x12' door, and four windows and ventilating louvers in each end-panel. Through the adaptability of the Stran-Steel framing system, it is a simple matter to provide additional windows on the sides, ventilating equipment or interior insulation.

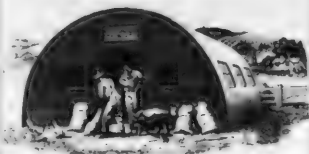
A uniform-quality, uniform-strength "Quonset" building is a good investment for any farmer—a good loan risk for any banker.

GREAT LAKES STEEL CORPORATION

STRAN-STEEL DIVISION • 37th FLOOR PENOBSCOT BUILDING • DETROIT 26, MICHIGAN

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ALSO AVAILABLE!



THE "Quonset 20"

Same quality features of construction and materials in a 20'-wide Stran-Steel arch-rib building. Length to meet requirements—24', 36', 48', 60', etc. Walk-door and two windows in each end-panel—additional windows in sides if required. Fire-safe, sturdy, adaptable to scores of farm uses.



News Around and About

(CONTINUED FROM PAGE 64)

Management Committee, he brought new vigor and strength to country banking in his territory through his educational programs designed to improve operating procedures and strengthen management. He devised a cost analysis formula which was used in South Dakota and many other states, and which became the basis for the nationwide cost program now being conducted by the Country Bank Operations Commission.

Bill is no stranger to A.B.A. activities, having served as a member of the Executive Council and at present, in addition to the chairmanship of his own Commission, is also a member of the Bank Management Commission. A forceful and able speaker, he has appeared on the programs of many A.B.A. regional and national meetings.

Modest about his own honors and success, Bill will speak loud and long on the slightest provocation about the distinction accorded his children. He claims the Rempfer family could have provided a Quiz Kid program of its own as three of his youngsters sport Phi Beta Kappa keys and another missed it by 2/100 of 1 per cent. Minor things like Ph.D.'s and Master's degrees are a dime a dozen around the Rempfer household.

Model Pasture and Forage Farm

Burnham Guild, president, THE FIRST NATIONAL BANK & TRUST COMPANY, Walton, New York, furnishes the following discussion of the joint plans of his bank and of the FIRST NATIONAL BANK in Sidney for establishing and maintaining, in cooperation with the New York State College of Agriculture, a practical pasture and forage crop improvement farm:

"In Delaware County, New York, one of the most important dairy counties in the United States, one of the greatest needs for increasing the income and standard of living of farm people is for the improvement of pasture and forage crops. It is the opinion of the members of the staff of the Department of Agronomy of the College of Agriculture that the need for pasture and forage crop improvement is as great in Delaware County as in any county of the state. In past years the Extension Service of the New York State College of Agriculture, working through the local Delaware County Farm and Home Bureau and the 4-H association, has done a large amount of educational work on pasture and forage crop improvement.

"This work has consisted of lectures, demonstrations, tours, and individual farm visits. It is apparent, however, that much more could be accomplished in the field of pasture and forage crop improvement if it were possible for Delaware County farmers to see an individual farm where all of the best known soil improvement, pasture and forage crop improvement, water conservation, and reforestation practices have been put into effect.

"Because each farm represents a combination of a business and a home, it is felt that this project should also include demonstration and educational work on those practices that have to do with the improvement of the farm home and family living conditions.

Agricultural Groups to Meet

A joint meeting has been scheduled for mid-November in Omaha by the Agricultural Commission with C. W. Bailey, recently elected vice-president of the A.B.A. continuing to serve as chairman, and the Subcommittee on Agricultural Credit of the Committee of Federal Legislation, with John N. Thomson, chairman. Other officers of the A.B.A. and the secretaries and agricultural committee chairmen of several midwestern state bankers associations are also expected to attend.

The present agricultural and legislative situation as it affects the position of chartered banking in maintaining its services to farmers will be discussed from many angles by selected speakers; subcommittees will report; and action programs for the coming year will be outlined.

"At the present time there are many boys and girls in Delaware County who would like to make farming their life work but are reluctant to start in without the reasonable assurance of a good income, a comfortable home and satisfactory living conditions comparable to those they would have if they lived in the city. It is felt, therefore, that this project would result in an improvement of farm incomes and living conditions on farms to the extent that it would mean an opportunity for many Delaware County boys and girls to stay on farms who would otherwise go to the city.

"It is proposed that the First National Bank & Trust Company of Walton and the First National Bank in Sidney and the New York State College of Agriculture cooperate in establishing and maintaining a practical pasture and forage crop improvement farm in Delaware County. The plan is that the two banks mentioned would provide a typical Delaware County dairy farm to be used to demonstrate to Delaware County farm people what can be done in a practical way along the lines of pasture and forage crop improvement and improvement of farm home and living conditions, as outlined above. The New York State College of Agriculture is prepared to furnish the necessary planning and supervision for the organization and operation of pasture and forage crop and home improvements on such farm.

"The plan calls for the purchase and ownership of the farm, together with necessary operating equipment and livestock by the two banks named. The college is prepared to furnish equipment and supplies needed for any special research phases of the project.

"It is proposed that a planning and advisory committee be set up as follows: This committee to consist of representatives of the two banks concerned, of the Delaware County Farm and Home Bureau and 4-H association, and of the staffs of the New York State Colleges of Agriculture and Home Economics."

Key Banker-Farmer Meeting

Most of the county key bankers from the 54 agricultural
(CONTINUED ON PAGE 68)

ARE YOU INTERESTED IN A

BEFORE



Don't wait to modernize your store properties with Pittsburgh Glass. This up-to-the-minute store was created from the first-floor space of two dingy-looking buildings in Turtle Creek, Pa. Architect: S. C. Faller.

Sound Investment?

AFTER



Insure easier renting and bigger revenue from store properties by modernizing now!

THE STORE with eye-appeal is the store with tenant-appeal. Retailers are interested in renting stores that are smart-looking and up-to-date—stores that will draw customers and bring them extra profits.

There's no better way to give unprofitable, old-fashioned properties new personality and appeal than by modernizing

—inside and out—with Pittsburgh Glass and Pittco Store Front Metal. Prospects are impressed by their beauty and utility—and these prospects will become satisfied tenants!

Modernize now and be among the first to have up-to-the-minute, tenant-getting properties. To assure a well-planned, economical design, consult your archi-

tect. Our staff will gladly cooperate with you and with him.

In the meantime, send the coupon for our free booklets on store modernization, giving facts and showing actual installations. Then you can see for yourself how Pittsburgh Glass and Pittco Store Front Metal have transformed other properties into revenue-producers.

"PITTSBURGH" stands for Quality Glass and Paint



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8032-5 Grant Building, Pittsburgh 19, Pa.
Please send me, without obligation,
your illustrated booklets on store modernization.

Name.....

Address.....

City..... State.....

News Around and About

(CONTINUED FROM PAGE 66)

tural counties of New York State convened at Syracuse in late September with the Committee on Agriculture of the State Bankers Association. Discussing methods for improving banker-farmer relations, the group went on record as favoring meetings in each agricultural county of the state under the leadership of the key bankers.

Banker-farmer meetings have become watched-for annual events in several New York counties, and a number of other counties have determined to set up this activity as a regular feature of the year's program. While plans and methods vary, the following recommendations were drawn up as guides for meetings which it is urged will be held in every county this year before the winter weather sets in:

First, the meeting should be planned in close cooperation with the county agricultural extension agent, and care should be taken to avoid possible conflicts in schedules with extension workers.

Second, invitations should be sent to representatives of the farmers' organizations, soil conservation district, Triple-A committee, teachers of agriculture in the schools, representatives of farm supply dealers and milk companies, and representatives from all banks in the county including bank directors, the county bankers association officials, key bankers from neighboring counties, representatives from the state college of agriculture, and as many farmers as practicable. It is suggested that a system of rotation be worked out whereby the same farmers are not invited each year.

Third, too many speakers and too little time for each speaker should be avoided. "Every effort should be made to keep meetings informal by inviting discussion at appropriate times and avoiding the appearance of just a series of speakers."

In many of the meetings now being planned in New York State, the following three items will have a prominent place:

A farmer will tell bankers what farmers are expecting of bankers in the post-war period. The county agent will then give a discussion of "What's ahead for agriculture in this county?" A banker will discuss farmers building financial reserves, with special emphasis on converting idle demand deposits into U.S. Savings Bonds.

Second Cost Analysis Survey

With more than 5,000 country banks enrolled, the Country Bank Operations Commission started its second nationwide cost analysis program on October 15. On that date the participating banks started a two-month record which when expanded will show the number of checks, deposits, clearing and transit items handled during 1945.

Schedules are also being kept of hours worked by every member of the staff and salaries paid. After December the Commission will supply the banks with forms that will show the year-end figures and other data necessary to analyzing costs.

A record for operating programs of this type was established when approximately 75 per cent of the

banks which took part in the first study immediately entered the second program. Many of them declare they wanted to do a more thorough job on reporting their figures in order to obtain a picture of their operations that was not distorted through inaccurate statistics and careless estimates. Hundreds of other banks expressed a desire to establish a comparative cost record particularly during the critical reconversion years. Others report they want a two- or three-year average before making drastic changes in charges or operating procedure.

The first four in a series of 12 comparative schedules prepared by the Commission were released in October. These were eagerly sought by the operating officers of the participating banks as they showed them how each bank stood in comparison to other banks of similar size in the same territory. A median instead of an average was used as the dividing line. The summary showed a wide variation in cost above and below the median. Extreme figures at the top and bottom of the list were believed by the Commission to be due largely to faulty reporting by the banks. It is expected that this will be corrected in the second year's study. The remaining schedules will be issued in November.

The cost analysis work of the Commission was directed by a special committee headed by William C. Rempfer, president, First National Bank, Parkston, South Dakota. The other members are B. P. Allen, president, First National Bank, Wabash, Indiana; Russell H. Britton, cashier, First National Bank, Rochester, New Hampshire; and Stanley A. Neilson, president, Bank of Gowanda, New York.

Awards to 40,540 New York 4-H'ers

To encourage New York State farm youth in projects for the advancement of sound farming methods, the New York State Bankers Association will distribute project achievement emblems to 40,540 New York boys and girls in 50 agricultural counties during the next few weeks, according to George J. Sluyter, chairman of the Association's Committee on Agriculture and president of the First National Bank, Herkimer.

(CONTINUED ON PAGE 71)

Carl Mosher, Tompkins County, New York, farm boy, exhibits a Holstein calf while receiving his 4-H Club achievement insignia from C. W. Thomas, county key banker. R. O. Bale, 4-H Club agent, and Velma O. Warner, associate agent, look on





IBM Proof Machines

Save Thousands of Extra Motions a Day

Checks are endorsed by IBM Proof Machines as they are sorted, listed, and proved, saving thousands of extra motions. *ONE MOTION*, the insertion of a check into the chute, is all that is required of the operator to accomplish the sorting procedure simultaneously with the listing, proving, and endorsing. Needless operator effort is thus eliminated, with a corresponding increase in ease of operation, speed, and efficiency.

INTERNATIONAL BUSINESS MACHINES CORPORATION
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"The fire didn't do much harm, but look at our records!"



1 "A small fire started in one of the firm's filing rooms. But thanks to quick action on everybody's part, it was out in a few minutes, with little damage done to the building."



2 "Just as we were breathing easy again and congratulating ourselves on what a lucky escape we had, our office manager rushed in and shouted, 'Look at the records, they're ruined!'"



3 "In the excitement, water and chemicals had seeped through our equipment, destroying some of our most valuable papers. And our fire insurance *did not* cover this loss!"



4 "We had to have every record painstakingly looked up and reconstructed—at a big cost for overtime and outside work. Now, a Valuable Papers Policy is as much a 'must' as our fire insurance."

Remember: your insurance against fire, windstorm, and burglary does not cover a loss like this. Valuable papers are so important to a business that they need

a protective policy of their own. Indemnity Insurance Company of North America offers you such a policy. Just ask your own Agent or Broker about it.

Insurance Company of North America, founded 1792, oldest American stock fire and marine insurance company, heads the North America Companies which write practically all types of Fire, Marine, Automobile, Casualty and Accident insurance through your own Agent or Broker. North America Agents are listed in local Classified Telephone Directories.



**INSURANCE COMPANY OF
NORTH AMERICA**
COMPANIES, Philadelphia

INSURANCE COMPANY OF NORTH AMERICA • INDEMNITY INSURANCE COMPANY OF NORTH AMERICA • CENTRAL INSURANCE COMPANY OF BALTIMORE
THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA • NATIONAL SECURITY INSURANCE COMPANY • PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY

News Around and About

(CONTINUED FROM PAGE 68)

The insignia, made up of white felt imprinted in green, are substitutes for the gold, silver, and bronze pins the Association has been awarding since 1927. Each achievement award signifies the successful completion of a year of 4-H work in a project supervised and approved by a county 4-H Club agent.

Typical 4-H projects, open to both boys and girls, include the planting and cultivating of legumes, corn, and other cereals, soil conservation, potato raising, market gardens, home gardens, poultry, dairy cattle, beef cattle, sheep, swine, horses and mules, and other livestock. Special projects are home ground beautification, forestry, wildlife conservation and nature study, agricultural engineering, farm management, farm labor, and fire prevention. Especially for 4-H girls, there are projects in floriculture, home improvement, food preservation and storage, food selection and preparation, health and safety, home management and clothing textiles.

"Farm Contracting" Loans to Veterans

THE TRUST COMPANY OF GEORGIA announced recently that it would help put qualified veterans and others into a new business to be called "Farm Contracting," which should go a long way toward solving the state's No. 1 agricultural problem—soil erosion.

The Atlanta bank, in cooperation with its affiliates and other banks throughout the state, will finance qualified returning soldiers or other interested persons in the purchase of heavy equipment for building terraces, clearing pastures, digging drainage ditches, pond construction and other conservation measures. These farm contractors in turn will rent their services to farmers who will find the cost less than if they tried to do the same jobs with inadequate equipment, and few individual farmers can afford to invest in the proper equipment.

The financing program fits the overall pattern of farm development established by the Soil Conservation Service, Extension Service, AAA, Vocational Education and other agencies which, through surveys, have learned that 8,919,000 acres of Georgia land are badly in need of terracing, 1,386,000 acres require drainage improvement, 2,992,000 acres should be cleared and grubbed for pastures, and 34,110 farm ponds should be constructed.

To become a farm contractor, according to research carried out by the trust company's farm-industry department, the returning soldier, if otherwise qualified by his training, would require a heavy duty tractor, grader, truck and other equipment such as a bulldozer, scraper, harrow or plow, etc., depending on the various types of work to be done. These would require an investment of approximately \$10,000, to be bought on loans extended by the bank. The government guarantees under the Servicemen's Readjustment Act can take the place of the usual cash down payment.

The contractor, in turn, would charge a fixed fee per hour for his services. Basing his operations on 1,500 hours per year at a fee of \$6 to \$10 per hour, depending

on the services rendered, the contractor should be able to earn about \$4,000 per year and upward after expenses for operation, maintenance, depreciation, etc., it is estimated, based on soil conservation records.

"This plan is for the farmers of Georgia and the returning servicemen to share equally," Robert Strickland, trust company president, pointed out in announcing the plan. "Our studies and research show that there are some contractors in the state carrying out this work. But there aren't enough. Our banks have always made it a point to cooperate with the farmers of the state because we know Georgia cannot prosper unless her farmers prosper. In 1941, after assisting in the formation of the Georgia State Agricultural Council, I realized that bankers should make more specific aid available for the farmer. In 1942 I suggested to the Georgia Bankers Association that Atlanta banks form a pool to cooperate with county banks in financing livestock, pasture improvement, the establishment of processing plants for farm products and other long-range agricultural projects. The trust company banks, both in 1942 and 1943, appropriated \$25,000 annually for agricultural and industrial research and development, and just recently we have added W. Hill Hosch as director of our farm-industry department. Development and improvement of Georgia farming practices is a long-range problem, requiring long-range planning, from business men and farmers alike."

Strickland said there were a few individuals working as soil contractors, as well as cooperative groups. "All are doing a good job," he added, "and we will be glad to help individuals or cooperatives, but we're aiming this financing program primarily at veterans with the idea of starting them in business and taking another step in our long-range program for Georgia agricultural development."

Increased Farm Loans

In the process of going after loans that had found their way into Production Credit associations and other Federal loan agencies, the WOODBINE (Maryland) NATIONAL BANK not only increased its farm mortgage loans, but cleared up a legal handicap to bank loans for all Maryland banks.

In that state certain Federal agencies, under a special act of the Maryland Legislature passed in 1935, could take chattel mortgage loans under more favorable conditions than banks. Feeling that this should be changed, the bank submitted a memorandum to the October 1944 meeting of Group Two, Maryland Bankers Association. A committee was appointed to carry out the suggestions of the Association and it obtained passage of legislation at the 1945 session of the Legislature making the special privileges of the Federal agencies applicable to "any national bank, state bank, savings bank or trust company" in Maryland.

During the past year the WOODBINE NATIONAL has made a notable increase, percentagewise, in mortgage loans on farm land, the increase amounting to 75 per cent. The bank does not take all the credit for the increase since it was in part due to increased turnover of farm real estate. But by constant effort the bank secured its "share of these new loans."

VICTORY LOAN CAMPAIGNER

American Bankers Association



The title of this article is a facsimile of the masthead of a newspaper published three times during the loan campaign under auspices of the Committee on War Loan Drives, American Bankers Association.

THE coming Victory Loan—last big public drive of the war—finds the bankers of the country better organized to do a bond selling job than ever before, and united in their determination to make it an outstanding success,” Francis M. Knight, chairman of the A.B.A. committee on War Bond Drives, said on his return from a cross-country tour during which he attended six regional conferences of the War Finance Division of the U. S. Treasury.

Mr. Knight and his associate, Fred M. Naber, vice-chairman of the committee, made the trip as the guests of the U. S. Treasury, with a party of 21 top executives of the War Finance Division, including Ted R. Gamble, National Director; Robert W. Coyne, Field Director; and Stanley W. Prenosil, Director of the Banking and Investment Section.

“This trip,” Mr. Knight said, “was a revelation to us in more ways than one. First of all, we were impressed by the large percentage of bankers who occupied key positions in the state and local War Finance Committees. At some conferences, Fred Naber and I felt almost as though we were attending bankers’ conventions. And yet this was not so surprising because probably no group in America has a greater stake in the

S. A. Phillips, new treasurer of the American Bankers Association, reads the first edition of the “Victory Loan Campaigner,” published under the auspices of the A.B.A. Committee on War Bond Drives. In the middle is President Frank C. Rathje and at the right, Vice-president C. W. Bailey



ACME

success of the Victory Loan than the bankers themselves.

“We were also impressed by the ingenuity shown by many small bankers in the sale of War Bonds. Their methods, while perhaps not as elaborate as those of big city banks, were peculiarly adapted to rural regions, and just as effective as the highly organized campaigns in the metropolitan districts.

“In every city we visited—Albany, Cleveland, Dallas, Miami Beach, Chicago, Milwaukee, Portland, San Francisco and Los Angeles—we found the local bankers giving full support to their state and local War Finance committees, and conscious of the fact that they would be compelled to bear a heavier burden in sales to individuals during the Victory Loan because of the expected decline in the payroll market and to some other sections of the community effort due to shifting employment. Their methods of operation were different, and understandably so, because of differences in local customs, habits and traditions, and we made no effort to lay down a single course of action. We brought to their attention successful bank promotion plans in previous drives for such use as they cared to make of them, and let some of them tell their own story.

IT might be interesting to outline the program at one of these conferences, which lasted a full day. At each conference six to ten states were represented by their principal state and county War Finance committeemen, the attendance at each ranging from three hundred to eight hundred. First, there was a general morning meeting of all delegates, presided over by Bob Coyne. Ted Gamble made the principal address, outlining the reasons for the Victory Loan, reviewing the War Bond program to date, and explaining the reasons why a widespread distribution of our public debt will make for a sound post-war economy.

“Then Messrs. Sidney Tickton and Wesley Lindow showed a series of stereopticon slides with charts which illustrated the manner in which government securities had been distributed in previous loans, the trend of Federal expenditures and their break-down, and the sources of funds from which the Treasury expects to raise the eleven billion dollars set as the goal for the Victory Loan.

“This was followed by a series of three minute ‘capsule’ presentations by War Finance section heads of the programs for their respective divisions. The Special Events section used a movie trailer to illustrate the wide variety of promotional stunts to be used in the coming Loan. A luncheon was given to all delegates during which the Radio, Press and Advertising section gave a movie presentation of the material being distributed by that division.

“After luncheon, the delegates broke up into group

(CONTINUED ON PAGE 140)



Which is the bigger saving to you?

10% of the pebble...or the ripples?



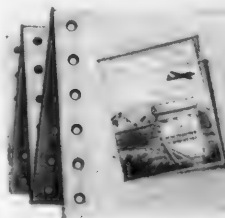
YOUR eyes are sharper, today, when they look into costs. They have to be. For your competitive position, doing your part toward maintaining full employment, depends on *how much* you reduce costs, increase value, broaden your market.

Take the cost of printed forms, for instance. There was a time when it was dismissed as a trifle, a “pebble” as compared with other costs. But that was before many realized that the *true* complete cost of printed forms are the “ripples”—the time and effort required to write, handle, route and file them—which adds up to from 10 to 50 times the cost of the forms, themselves.

It was also before many recognized that record

systems of control are the nerve centers of business...affecting control over men, materials, machines. It was before many realized that changing paper work to working papers, through scientific *paper-work simplification*, could mean overall savings of five, six, even higher figures. •

Let us demonstrate how much the opportunity for cost reduction in these “ripple” areas of your business can amount to. Let us show you how much **MORE** Standard offers, to capitalize on that opportunity.



WRITE TODAY for free booklet, “A New Frontier in Business.” It tells how you can be sure of getting the greater values in business forms you buy.

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What Home Builders Want

HOWARD B. SMITH

MR. SMITH is assistant director of research in mortgage and real estate finance, American Bankers Association.

WE STAND on the threshold of an era of new home building, the magnitude of which, according to many indications, may surpass that of any previous period in our history.

In handling any expansion of mortgage credit, banks fortunately are equipped with improved techniques in mortgage lending practice and have available a fund of information concerning both the real estate and the general economy of the communities in which they operate. Besides the information they themselves collect, there is available to them material such as reports of the Census of Housing and of FHA experience, and, in addition, various types of market surveys conducted in accordance with accepted sampling procedures. Many banks have conducted or participated in local market surveys, and as a result have not only benefited themselves but rendered a distinct public service.

The enforced curtailment of home building has provided a peculiarly favorable atmosphere for conducting housing market surveys, and the opportunity has not been overlooked. During the past three months some of the findings of two housing surveys made on a national scale by experienced analysts have been published and widely circulated. They are of enough significance to banks, and sufficiently comparable in scope and presentation, so that a discussion of some of the highlights will be of interest.

The Curtis Publishing Company Survey of Urban Housing is based on 4,007 interviews made in August 1944. This is a very comprehensive study, and surveys the home ownership, repair, and appliance markets as well as opinion on new building developments and the building industry. Only a portion of the material is analyzed in this discussion.

The *Architectural Forum* Study of the House Market is based on 8,052 interviews obtained during December

1944 and January-February 1945. This survey is largely limited to home ownership factors and its report is principally concerned with that segment of the market which seems to contain the so-called good prospects. As its title indicates, the Curtis survey covers only the urban market and is confined to cities of 10,000 population or more. The *Forum* survey includes farm as well as non-farm areas, although some of the published findings present only non-farm data.

Both surveys represent a cross-section of U. S. families geographically distributed and weighted for such factors as owner-renter status, sex, age, income, type of dwelling occupancy, and city size. Controls were largely based upon 1940 census data. The families interviewed in the Curtis survey were chosen from the following salary groups:

Income Groups	Percentage of Interviews
Under \$2,000.....	25%
\$2,000 to 2,999.....	25%
3,000 to 3,999.....	25%
4,000 to 5,999.....	15%
6,000 & over.....	10%

THIS distribution is based on information obtained from government sources, and indicates a distinct upward trend in family income since 1940, when, according to many official estimates, well over one-half of all families received incomes of less than \$2,000, and less than 20 per cent received over \$3,000.

Market Characteristics

One survey shows that 70 per cent of the approximately 37,000,000 U. S. families feel it is better for them to own their homes, and both surveys indicate that about one-third of all families can be classed as prospects at some time in the reasonable future. After filtering out all but the most promising prospects, one survey arrived at the conclusion that only 7.5 per cent of all families could definitely be classified as good prospects for home

sales within the next two or three years and that these families did not constitute an automatic market.

Reasons for preferring home ownership revolve largely around the economies of ownership versus renting, with security and personal satisfactions of secondary importance. A very high percentage of former owners who were questioned state they would again buy a home, and cite much the same reasons for their decision.

Almost half of all prospects indicate a desire to build homes according to their own plans, about 20 per cent anticipate buying used homes, and the rest will either buy ready-built new homes or were undecided when interviewed. In contrast with this breakdown, past experience indicates that well over half of all sales have involved used homes.

CONCERNING the prices to be paid for homes, one survey indicated that 15 per cent of prospects were thinking in terms of less than \$3,000, while the other survey indicated that only 4.5 per cent of prospects were planning homes in this price class. In other price ranges there was remarkable agreement between the two surveys, and they both split about 50-50 near the \$6,000 mark, one survey indicating 52 per cent of homes less than this amount and the other 46 per cent. In comparison, the median value of the new homes on which the FHA insured mortgages in 1940 was \$5,059, and 72 per cent of all such homes were valued at less than \$6,000. These homes contained fewer rooms, however, than those contemplated by prospects interviewed in the present surveys.

According to both surveys, approximately 40 per cent of prospective owners are planning six-room homes. Five-room homes are preferred by about 25 per cent of prospects, and homes of four rooms or less by only about 5 per cent. Slightly more than one-quarter of prospects are planning on homes of seven rooms or more. FHA experience in 1940 showed the following distribution: four rooms or less, 22 per cent; five rooms, 47 per cent; six rooms, 26 per cent; seven rooms or more, 5 per cent. FHA in 1940 insured mortgages on over 40 per cent of all single homes built in the country in that year, so its experience is representative of the market at that time.

House Characteristics

Questions regarding architectural styles indicate that

there is still a strong preference for traditional colonial types. Modern architectural design was favored by only about 10 per cent of those interviewed, and there was some indication that these included people in the upper educational groups. The Curtis survey indicates that brick exteriors were favored by the greatest number of people, with wood siding second. Plastered interior walls are preferred by most prospective home owners, and they favor a combination of paint and wallpaper for decoration. Approximately three-quarters felt that basements and dining rooms were necessary. Warm air, hot water, and steam heat are favored in that order. About 60 per cent of the prospects would like to locate in suburban or country areas.

There is considerable confusion in people's minds regarding prefabricated houses, and among the 75 per cent who expressed some familiarity with them only 17 per cent thought they would buy one for year-round occupancy, while more than half considered them possibilities for summer or vacation homes. The former group included many with lower incomes and the latter group many in higher income brackets.

The Curtis survey also indicated that whereas people were evenly divided as to whether landscaping should be included in the price of the house, only 12 per cent of prospective owners said refrigerators should be included and only 17 per cent a cooking range.

Financing Plans

Both surveys indicate that the majority of prospects are thinking realistically about the relation of price and carrying costs to income.

One survey presents a detailed tabulation of ideas as to monthly-payment amounts and mortgage maturities by income classes, and the pattern established is on a more conservative basis than that on which FHA business is normally written. The most favored mortgage maturity range among all income groups is 10-14 years.

The Curtis survey, which covers only non-farm areas, indicates that, while 75 per cent of prospects had saved something toward their home, over 11 per cent expected to pay the full purchase price in cash. The *Forum* survey conducted approximately six months later indicates that 19 per cent of non-farm prospects and 43 per cent of farm prospects will pay cash. The intention to pay cash exists in all price ranges, and varies from 16 per

(CONTINUED ON PAGE 141)

A small homes development is already under way in Belleville, New Jersey

CUSHING



A Better Homes Clinic

MEDINA, OHIO—a rural community of about 5,000 population—is one town preparing to do an intelligent job on future housing with the local bank, building trades, and realtors as well as the homeowners and prospective builders working in common cause. It won't mean a building boom of great magnitude, such as one might expect of a larger center, but its scale will be well-proportioned to its wealth and needs—a fact which makes the Medina plan thoroughly sound.

The whole thing started last June, under the direction and initiative of E. G. Eastwood, assistant cashier of the Savings Deposit Bank Company, when he started a Better Homes Clinic. For literature and samples of building materials, home equipment and supplies, he wrote to some 300 advertisers in *Architectural Forum*, *American Home*, *Better Homes and Gardens*, *House Beautiful* and other trade and general publications in the housing field. A wealth of information and materials soon piled up, covering every possible phase of residential construction, and this became the nucleus of a practical library.

Books on house plans were contributed or purchased from lumber, cement and steel companies, publishing houses and architects—wherever they were obtainable to form another important library section. Miniature model homes were assembled from every available source. Then local supply houses and contractors were contacted, and they readily contributed literature, samples, and appliances for display. In a few weeks, the clinic was ready to operate with full local support of building interests.

The first announcement was made through the bank's own house organ, *Bank Notes*, a monthly publication distributed freely throughout the community. This was followed by a personal letter to a special mailing list, and newspaper advertising. The response far exceeded expectations and it soon became evident that the bank's quarters could not accommodate all who expressed interest in attending clinic meetings. While the displays are, and will continue to be headquartered at the bank, clinic sessions are held in the local auditorium.

Here is the complete agenda:

Meeting No. 1—Panel Type Lecture: (three speakers)
Subjects—When can people expect to build? What are

Prospective home builders check advantages in a scale model built from blocks borrowed from the clinic, achieving maximum utility of wall space by advance study of furniture placement



After a clinic meeting, eager prospective home buyers fire questions at Messrs. Eastwood, Scott and Leissa, right

the trends in building designs? How are costs compared with pre-war costs? What is apt to be the quality of materials? New materials and methods.

Meeting No. 2—Steps to be determined before building:
Subjects—Selection of site; kinds of titles; what should I know about my title? how much can I afford? financing.

Meeting No. 3—Planning the home:
Subjects—Duties of an architect; what type home should I plan? what should I consider in selecting floor plans? proper balance of cost of materials, labor and conveniences to cost total.

Meeting No. 4—Masonry Construction:
Subjects—footings; basements; fireplaces; types of wall construction; insulation.

Meeting No. 5—Frame Construction:
Subjects—Proper framing; types of wall construction; studding—size and spacing; sheeting and insulation.

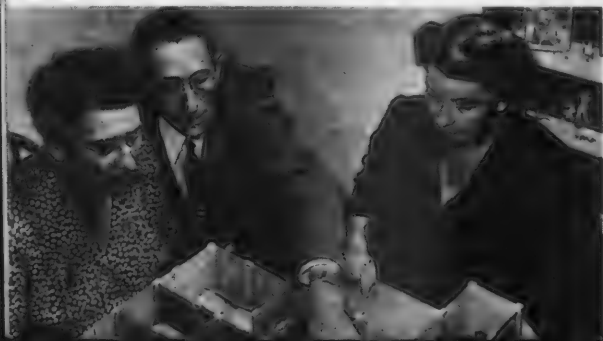
Meeting No. 6—Adequate wiring and lighting:
Subjects—Proper wiring; fuse vs. multibreakers; adequate lighting and service outlets.

Meeting No. 7—Heating—ventilating and air-conditioning:
Subjects—Gravity furnace; forced air—hot air—steam, gas and oil heating; advantages and disadvantages of each; difference in cost.

Meeting No. 8—Plumbing—bathroom arrangement—fixtures:
Subjects—Wall materials; floor materials; planning; fixtures.

(CONTINUED ON PAGE 128)

Another home-conscious team examine building suggestion literature in the Better Homes Clinic library with a view to spending their savings and building their home wisely and well



"Last Down for the Army, and 6,000 Yards to Go

UP OVER THE HUMP

Based on the true story
war record of the Curtiss Commando



My First Flight from Casablanca to
India, taught me a lot of 'plane
I was heading for the 19,000-foot
to entertain our G. I.'s in China.
trip in the Curtiss Commando...
the stories I heard about the
Commando's amazing ruggedness...
I sold me! Remember back in '43
the Burma Road was cut off? Only
trickle of supplies was reaching the
Chinese Army. Then the Air Transport
Command rolled into action. Overnight

they built a new 'lifeline' to China,
flying loads as high as 50,000 pounds
gross weight in Curtiss Commandos,
through monsoon rains, raging snow-
storms, 100-mile-an-hour winds and at-
tacking Zeros. Soon more supplies were
flowing into China than ever went over
the Burma Road. The odds shifted...
and you know the rest. *The Army
held out... thanks to the new Burma
Road of the Air... today's great
airliner... the Curtiss Commando!*"

"THAT'S WHY
I WANT TO RIDE
THE AIRLINES THAT WILL

Fly Commando!"

PAT O'BRIEN... SOON TO BE SEEN IN "THE
PASSIONATE GHOST" ♦ AN RKO PICTURE



Lower Direct Flying Costs. When you Fly
Commando, your direct flying costs are reduced in
several important ways. A smaller crew is needed
than with larger aircraft. Fuel and oil consumed are
less, because of twin engines. Thousands of dollars
are saved on hull and crew insurance. And a smaller
stock of parts is necessary for repair and replacement.



Airlines Are Looking more closely
than ever before at their costs per revenue
unit. They can be kept to a minimum with
the Curtiss Commando. With twin-engine
economy of operation, costs are low, while
the much greater passenger and cargo
capacity of the Commando boosts revenue.

Time Required at flight stops is reduced by the
Commando's unusual accessibility for maintenance
and loading. For instance, improved fuel tank
filler necks take gasoline as fast as fueling systems
can pump it. And, this accessibility means fewer idle
hours on the ground... more money-making time
in the air... for the airlines that Fly Commando!

THE CURTISS

Commando

Yesterday's Great Liferliner
Today's Great Airliner

Curtiss



Wright

FIRST IN FLIGHT



✓✓✓ *Three reasons for sending* **YOUR COMMODITY DRAFTS** *to the IRVING . . .*

✓ They are handled by a unit specializing in an operation which might easily become routine.

✓ Your drafts are handled by an expert who keeps in close touch with their collection and, when necessary, facilitates delivery of the goods.

✓ Shipments are traced . . . drafts presented promptly . . . payment or definite reason for non-payment quickly secured.

For resourceful service, send us your commodity drafts collectible in the East and call on us for assistance with any collection problem.

IRVING TRUST COMPANY

ONE WALL STREET • NEW YORK 15, N. Y.

Member Federal Deposit Insurance Corporation

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TAKE OUR BANK, FOR EXAMPLE—Continued

of a theatrical playbill, here apparently was a stock company putting on a three-act benefit performance . . . then the name of a bank caught our eye and this is what we read:

THE IRVINGTON NATIONAL BANK
(New Jersey)
presents

THE WAY TO BETTER LIVING

*A Three Act Play
for Home Ownership*

Act I

*Find a home you want to buy or a
location on which to build.*

Act II

*Determine how much of your own
money you can invest*

Act III

*Call on us to help you finance the
balance with a "Pay-like-rent"
Mortgage Loan.**

(* 4% if you meet certain requirements)

Award Winner

"Dangerous Dollars," a campaign of the BOWERY SAVINGS BANK, New York, has been selected by the Bureau of Advertising of the American Newspaper Publishers Association for inclusion in its 1945 Blue Book which contains "case histories of noteworthy advertising successes."

The selections are scored on results alone. The BOWERY series is one of six financial and insurance advertisers winning space with 69 business and industrial campaigns. This series stressed the inflationary danger of increased American incomes at a time when commodities were scarce, and showed how War Bond buying and other forms of saving help hold down living costs and curb inflationary tendencies. While the campaign was institutional in character, it helped produce an increase of over \$42 million in deposits, and close to \$39 million in War Bonds.

Bank-Agent Film

Several hundred insurance executives, insurance producers and bankers attended the premiere showing of the motion picture "The Bank and Agent Auto Plan in Action," presented by the NATIONAL ASSOCIATION OF INSURANCE AGENTS, in New York recently.

The film was hailed as a forceful and informative visual sales aid that will greatly assist in the promotion of the



FRIDEN Fully Automatic Calculators

as if by *magic*...produce useable answers to your figure work problems. As seeing is believing...telephone or write your local Friden Representative and conveniently arrange for a demonstration. Learn why a Friden is so simple to operate; that anyone in your office can be taught to produce *accurate answers* on your own work, with less than 15 minutes instruction. Through efficiency of effortless productive operation, this modern calculator will pay for itself in any business, large or small. Remember only with a Friden... the calculator, not the operator, does the work.

Friden Mechanical and Instructional Service is available in approximately 250 Company Controlled Sales Agencies throughout the United States and Canada.

FRIDEN

FRIDEN CALCULATING MACHINE CO., INC.

HOME OFFICE AND PLANT • SAN LEANDRO, CALIFORNIA, U. S. A. • SALES AND SERVICE THROUGHOUT THE WORLD

STATEMENT OF CONDITION

SECURITY-FIRST NATIONAL BANK

OF LOS ANGELES

SEPTEMBER 29, 1945



RESOURCES

Cash and Due from Banks	\$ 280,936,852.51
U. S. Government Securities \$1,020,261,092.61	
State and Municipal Securities 40,641,995.32	
Other Bonds and Securities 12,079,711.46	1,072,982,799.39
Loans and Discounts	198,888,312.20
Earned Interest Receivable	4,219,145.38
Customers' Liability under Acceptances and L/C	352,497.94
Bank Premises	5,414,018.68
Vaults, Furniture and Fixtures	1,292,517.31
Other Assets	71,890.81
TOTAL	\$1,564,158,034.22

LIABILITIES

Capital	\$ 24,000,000.00
Surplus	26,000,000.00
Undivided Profits	10,000,000.00
Reserves for Contingencies, Interest, Taxes, Dividends	18,971,332.22
Interest Collected—Unearned	443,620.84
Acceptances and Letters of Credit Liability	355,117.88
Other Liabilities	120,235.20
Deposits—Time	\$ 530,645,403.21
— Demand	953,622,324.87
TOTAL	\$1,564,158,034.22



United States Government and other securities carried at \$161,348,190.07 are pledged to secure U. S. Government War Loan Deposits of \$118,051,780.07 and other public funds and trust deposits and for other purposes as required or permitted by law.

MEMBER FEDERAL RESERVE SYSTEM • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
110 OFFICES AND BRANCHES

bank-agent auto plan. Many present expressed the opinion that the film, which was described as a "convention in print," will be a constructive aid in selling the idea of the plan to both agents and bankers and to stimulate action in communities where the plan has not yet taken hold.

The picture, a 16mm. sound production filmed in color, was produced by the motion picture bureau of the Aetna Casualty and Surety Company, in co-operation with the National Association of Insurance Agents, as a contribution to the banking and insurance industry in the development of the bank-agent plan. It shows how the plan has spread throughout the country, and tells a convincing and interesting story of its successful operation in small and large communities.



Scene from bank-agent film

Scenes in the film, taken in a number of sponsoring banks, show the procedure followed when a prospective car buyer applies for a loan, and how the insurance on cars financed in this way is always placed with a local agent. Other scenes show some of the advertising and promotional activities banks are using in connection with the plan.

Distribution will be handled entirely by the National Association of Insurance Agents. Prints are now on deposit with the secretaries of state associations of insurance agents throughout the country, and are available for local showings before insurance agent and bank gatherings.

Among the bankers who appear are: Frank G. Anger, vice-president, Industrial National Bank of Chicago; C. O. Weidman, assistant cashier, National City Bank, New York; W. M. Harlan, Jr., vice-president, Manchester Bank, St. Louis; Irving Lemaux, president and Charles Mattox, assistant secretary, Security Trust Company, Indianapolis; Mills B. Lane, Jr., first vice-president, Citizens and Southern National Bank, Atlanta; and P. M. Jones, assistant cashier, Old Phoenix National Bank, Medina, Ohio.

(CONTINUED ON PAGE 83)

This Genie Solves

your bookkeeping problems!

IN ancient Arabia, lucky Aladdin rubbed his magic lamp and a tireless Genie solved his problems.

Now you can be an Aladdin, too, in solving your bank's bookkeeping problems.

You can summon the Genie of electricity and automatic action to handle your bank bookkeeping.

This Genie is the Remington Rand Model 285 — the ONLY completely electrified accounting machine that computes and prints balances automatically. You only insert forms and record information . . .

Model 285 does everything else electrically and automatically!

The Model 285 *cuts costs* for banks everywhere on loan and discount, mortgage and real estate, trust and insurance accounting, transit letter-writing, and many more applications.

Let the Model 285 cut *your costs*.

A Remington Rand specialist will analyze your accounting needs without obligation. Phone your nearest Remington Rand office for him *now*, or write to us.

Remington Rand

NEW YORK 10, N. Y.

Bookkeeping Machines for YOUR EVERY Requirement

WHAT DOES CALIFORNIA HOLD FOR YOU?



THIS NEW, FREE BOOK WILL HELP YOU ANSWER THAT IMPORTANT QUESTION

Present and future opportunities in California command the interest of executives throughout the country. For this is the largest, most concentrated market in the West. A factual picture of that market is presented in the new book, "The California Trend," just published by Bank of America. "The California Trend" may help you find real profit-opportunities in this large and still growing market.

Your request for a copy of the book will bring it by return mail. Address Bank of

America, Dept. A. D., 300 Montgomery Street, San Francisco 20, or 660 South Spring Street, Los Angeles 54.

Bank of America, a member of the Federal Reserve System and the Federal Deposit Insurance Corporation, has main offices in the two reserve cities of California—San Francisco and Los Angeles.

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION



Blue and Gold BANK of AMERICA TRAVELERS CHEQUES are available through authorized banks and agencies everywhere. Carry them when you travel.

TAKE OUR BANK, FOR EXAMPLE—Continued

Head Start

THE INDUSTRIAL TRUST COMPANY, Providence, Rhode Island, issues an attractive operating kit for insurance agents interested in supporting the bank-agent auto plan. The kit, used as a mailing piece, titled "Here's Your Head Start . . .," is a piece of white bristol-board folded in half, with a short folded flap forming a pocket. The pocket contains an introductory card, sales literature, rate tables, sample letters and announcements, and order forms for obtaining quantities of imprinted copies for the agent's personal use. All sales material emphasizes the idea that every prospect should see the agent *first before signing any car purchase contract*. The agent, in turn, can clinch each sale by bringing the customer to INDUSTRIAL "for money-saving financing of insurance and term payments on the car of their choice."

"Spot-Cash" Plan

A handbill announcing a "spot-cash" auto purchase plan sponsored by the local banks of Asburnham, Athol, Gardner and Winchendon, Massachusetts, and the local insurance agents of the same cities (with Baldwinville and Barre, in addition) is a good specimen of effective cooperation on bank-agent auto financing. "Spot-cash" is the eye-catcher, typically automobile parlance. The circular lists the names of cooperating banks and insurance agents in the several communities, and is profusely illustrated with the types of auto insurance coverage available. The whole sales theme is based on "money-saving" and the advantages of dealing directly with "your local friendly bank," and "your local friendly insurance agent." The sales points cover specifically how each is prepared to serve the auto buyer.

Teller to Tiller

THE FIRST NATIONAL BANK OF CHICAGO victory gardeners displayed the fruits (and vegetables) of their collective green thumbs at the "Victory Garden Round-Up for 1945," co-sponsored by the horticultural interests of the city at Soldiers' Field just before the frost bit the pumpkin. What's more, the judging committee awarded a special citation to the bank for one of the most outstanding exhibits at the show, and for its efforts in fostering greater garden activity among its employees.

(CONTINUED ON PAGE 85)

November 1945

"ALL RAG"

ANNIVERSARY BOND



Here's all you need to
know to get the finest
in letterhead paper



Don't stop with mere trademarks when buying letterhead paper. Like all products purchased to conduct your business, letterhead paper is also made to specifications . . . purchased accordingly by smart executives.

Unless your present letterhead watermark reads "all-rag", "100% rag" or "100% cotton fibre" it's not the finest available.

Anniversary Bond by Fox River is such a paper . . . an "all-rag" brilliant white prestige-building letterhead paper.

Prove it to yourself with our "See for Yourself" kit. It's free — write for it today.

THE WATERMARK IS YOUR
QUALITY GUARANTEE . . .
BE SURE IT READS "ALL-RAG"

Fox River

*Fine
Papers*
SINCE 1883

FOX RIVER PAPER CORPORATION

BOND, LEDGER, ONION SKIN — IN 25-50-75 AND 100% RAG CONTENT

401-K SO. APPLETON AVENUE
APPLETON, WISCONSIN



*Almost every American
benefits every day
from the products of
BORG-WARNER*

"SWORDS INTO PLOWSHARES" as painted by James Sessions at the Ingersoll Steel & Disc Division at West Pullman, Illinois. Of the many interesting operations in this plant perhaps the most colorful is this rolling of high-carbon steel used in manufacturing disc plows, disc harrows, cultivators and grain drills. This great Borg-Warner unit is the world's largest producer of tillage steel for the farm implement industry.

Makers of essential operating parts for the automotive, aviation, marine and farm implement industries, and of Norge home appliances.

Down any country road you drive the chances are that the farm equipment in the fields is using Borg-Warner parts. For the making and shaping of tillage steel are special arts in which the Ingersoll Steel & Disc Division has pioneered for generations.

However, helping the nation to grow its "daily bread" is just one of many fields in which Borg-Warner plays an important role. The products and engineering ingenuity of the 28 plants which compose Borg-Warner benefit almost every American every day. For exam-

ple, not only are Borg-Warner parts found on 9 out of 10 farms, but also in 9 out of 10 airplanes and 9 out of 10 makes of automobiles. And Norge refrigerators, ranges and washing machines bring better living to millions of homes.

Innumerable great new advances by Borg-Warner will reveal themselves as American industry converts to peacetime production. For, then as now, Borg-Warner's guiding principle, "Design it better, make it better", will work in many ways to bring you ever better products at ever lower costs.



These units form Borg-Warner: BORG & BECK • BORG-WARNER INTERNATIONAL • BORG WARNER SERVICE PARTS • B-W SUPERCHARGERS, INC. • CALUMET STEEL • DETROIT GEAR • DETROIT VAPOR STOVE • INGERSOLL STEEL & DISC • LONG MANUFACTURING • MARBON • MARVEL-SCHLEBLER CARBURETOR • MECHANICS UNIVERSAL JOINT • MORSE CHAIN • NORGE • NORGE MACHINE PRODUCTS • PESCO PRODUCTS • ROCKFORD CLUTCH • SPRING DIVISION • WARNER AUTOMOTIVE PARTS • WARNER GEAR

TAKE OUR BANK, FOR EXAMPLE—Continued

Anniversary Idea

The CONTINENTAL BANK AND TRUST COMPANY of New York recently held a 75th anniversary luncheon and honored a special group of customers who had been with the bank 50 years or more. Each of the "charter" customers had a chance to hark back and reminisce about the good ol' days of the 1870's, and say a word or two about his long association with the institution. The guests met the oldest directors, and active officers of the bank.

A Truth

The editorial pen of Arthur R. Furnish, vice-president of the LOUISVILLE TRUST COMPANY, who edits the *Kentucky Banker* in his spare time, told a truth as old as the hills in the September issue, namely: people like to go where they are welcome. Nothing our banks can do, says he, is more important to future welfare than making people feel they are welcome. A spirit of friendliness is still by far the best advertising—if you choose to call it advertising.

Let's be friendly, he continues, because we want to be, not because it is a *business asset*; let's make people like us and break down the idea banks are morgues. Let's not talk about ourselves so much; let's talk more about the depositor or the borrower, his business and his problems, and how they can be better served. Let's point up our public relations in the interest of getting along with people, that they may decide private enterprise in the banking field serves better than government owned or subsidized agencies.

Follow Up

During the Summer of 1944 the Williamsburg (Virginia) Post-War Planning Commission made an extensive survey of area needs and published a comprehensive report on its findings. Among other things it showed that the people of the city and county planned to spend \$1,725,000 in the first two post-war years for new homes, home repairs, modernization and consumer goods. More recently local department stores circularized their trade territory with queries as to what goods are in most urgent demand.

To tie-in with interest thus stimulated, the PENINSULA BANK AND TRUST COMPANY followed these surveys with circular letters and advertising material offering to finance building programs and consumer purchases, and urging

ONLY *Endorsograph* GIVES YOU

3-WAY UTILITY!



THIS all-purpose check endorsing machine may be used: 1—for straight endorsing work; 2—in conjunction with an adding or posting machine for endorsing checks as they are listed or posted; 3—in combination with bank model microfilming machines for endorsing checks automatically after they have been photographed! In fact, Endorsograph is the *only* machine that will give *all three types of service* in large and small banks alike.

Other exclusive features include *selective positioning of endorsement to prevent obliteration of prior endorsements . . .* stacking of checks in original sequence . . . interchangeable printing head . . . built-in wheel type date unit . . . numeral wheels for batch identification . . . replaceable inking unit . . . special, patented, long-life platen roller . . . variable speed control.

The new, precision-built Endorsograph as well as USPM Metered Mail Machines are now available. For further information or a demonstration, write us or get in touch with your nearest Commercial Controls office.

**COMMERCIAL
CONTROLS
CORPORATION**

Also Makers of Metered Mail Systems
and Mailroom Equipment

ENDORSOGRAPH DIVISION

Rochester 2, New York
Branches and Agencies in Principal Cities



Wanted: Light for better work in a small office . . . in this case a stenographic section.

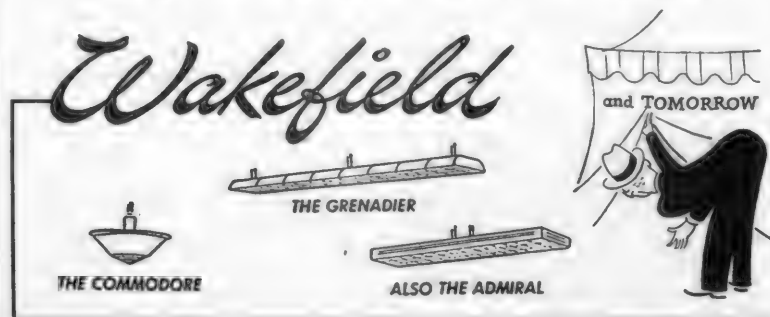
Problem: To provide good distribution of high level lighting in a narrow office, and to provide it as pleasingly and unobtrusively as possible, for greater eye comfort and minimum eyestrain.

Solution: Continuous rows of Wakefield GRENADIERS (No. PG-2488) to supply plenty of soft light on desktops and typewriters and diffused overall light throughout the room for easy, comfortable seeing. (In a small office, particularly, high footcandles of direct light tend to create bright spots and harsh contrasts—tough working conditions.)

In this 15' x 22' room, ten units were used, in rows 8' apart. Mounting height 11', with a 14' ceiling. And since GRENA DIERS can serve as their own carrier of conduit, existing outlets handled the job without re-wiring. Lighting level, after four months' service: 45 footcandles that make for fewer errors and headaches.

Your office may present a different problem, call for different fixtures. But you can be sure Wakefield has the answer . . . will be glad to work with you. The F. W. Wakefield Brass Co., Vermilion, Ohio.

Are you throwing away DOLLARS? Proper lighting maintenance—cleaning fixtures and walls and relamping—can double or triple your light! Get the lighting value you pay for—check up today!



customers to retain their War Bonds and cash savings as reserves for unexpected contingencies. Responses to this timely promotion are beginning to flow in, according to reports.

Numerous civic bodies throughout the country have made similar local surveys, and this suggests it's time now to cash in.

Main Street Facials

Millard C. Faught's article "Face Lifting Main Street," (BANKING, July) stirred considerable interest and comment on the job banks can do for business properties with modernization and improvement loans. Action in this direction is increasingly evident. The BOARDWALK NATIONAL BANK of Atlantic City is among a host of institutions currently promoting this service. A recent newsad announcing "New Store Fronts Financed" had this to say: "If your store needs modernizing outside or in, this bank can arrange a loan for you. You need not own the property . . . you need only have a lease with six months longer to run than the term of the loan." The bank's loan covers all permanent improvements.



Poster featuring honorable discharge emblem displayed by New York savings banks

Honorable Discharge Display

A poster picturing the honorable discharge lapel emblem worn by veterans of World War II has been prepared by the Savings Banks of GROUP V, SAVINGS BANKS ASSOCIATION OF NEW YORK. The banks are displaying the poster in order to cooperate with the general effort to acquaint the public with the significance of the honorable discharge emblem.

The display measures 8½ by 11 inches and is attractively finished in blue, white, and gold. A unique feature is the simulated easel effect as, actually, the entire unit die-cut in a single piece.

(CONTINUED ON PAGE 88)

DIRECTORS

EDWIN M. ALLEN
*Chairman, Mathieson
Alkali Works, Inc.*

EDWIN J. BEINECKE
*Chairman, The Sperry &
Hutchinson Co.*

EDGAR S. BLOOM
*President, Atlantic, Gulf and
West Indies Steamship Lines*

ALVIN G. BRUSH
*Chairman, American Home
Products Corporation*

LOU R. CRANDALL
*President, George A.
Fuller Company*

CHARLES A. DANA
*President, Spicer
Manufacturing Corp.*

HORACE C. FLANIGAN
Vice-President

JOHN M. FRANKLIN
New York City

CHARLES FROEB
*Chairman, Lincoln
Savings Bank*

PAOLINO GERLI
*President,
La France Industries, Inc.*

HARVEY D. GIBSON
President

JOHN L. JOHNSTON
President, Lambert Company

OSWALD L. JOHNSTON
*Simpson Thacher &
Bartlett*

CHARLES L. JONES
The Charles L. Jones Company

SAMUEL McROBERTS
New York City

JOHN T. MADDEN
*President, Emigrant
Industrial Savings Bank*

JOHN P. MAGUIRE
*President, John P.
Maguire & Co., Inc.*

C. R. PALMER
*President, Cluett
Peabody & Co., Inc.*

GEORGE J. PATTERSON
*President, Scranton &
Lehigh Coal Co.*

HAROLD C. RICHARD
New York City

HAROLD V. SMITH
*President, Home
Insurance Co.*

ERNEST STAUFFEN
Chairman, Trust Committee

GUY W. VAUGHAN
*President, Curtis-Wright
Corporation*

HENRY C. VON ELM
Vice-Chairman of the Board

ALBERT N. WILLIAMS
*President, Western Union
Telegraph Company*

MANUFACTURERS TRUST COMPANY

Condensed Statement of Condition as at close of business
September 30, 1945

RESOURCES

Cash and Due from Banks	\$ 393,840,494.76
U. S. Government Securities	1,294,612,871.08
U. S. Government Insured F. H. A.	
Mortgages	4,456,785.26
State and Municipal Bonds	39,077,613.02
Stock of Federal Reserve Bank	2,475,000.00
Other Securities	23,621,340.29
Loans, Bills Purchased and Bankers'	
Acceptances	395,050,988.65
Mortgages	13,153,612.65
Banking Houses	11,512,530.67
Other Real Estate Equities	423,280.73
Customers' Liability for Acceptances	4,232,670.74
Accrued Interest and Other Resources	6,091,489.36
	\$2,188,548,677.21

LIABILITIES

Capital	\$41,250,000.00
Surplus	41,250,000.00
Undivided Profits	29,007,450.22
	\$ 111,507,450.22
Reserve for Contingencies	8,488,073.68
Reserves for Taxes,	
Unearned Discount, Interest, etc.	6,408,485.34
Dividend Payable October 1, 1945.	1,237,498.20
Outstanding Acceptances	4,741,439.12
Liability as Endorser on Acceptances	
and Foreign Bills	528,202.25
Deposits	2,055,637,528.40
	\$2,188,548,677.21

United States Government securities carried at \$257,784,547.44 are pledged to secure U. S. Government War Loan Deposits of \$225,113,353.65 and other public funds and trust deposits, and for other purposes as required or permitted by law.

Principal Office: 55 Broad Street, New York City
69 BANKING OFFICES IN GREATER NEW YORK
European Representative Office: 1, Cornhill, London, E. C. 3

Member Federal Reserve System
Member New York Clearing House Association
Member Federal Deposit Insurance Corporation

TAKE OUR BANK, FOR EXAMPLE—Continued

Modernization Plan

THE PROVIDENT INSTITUTION FOR SAVINGS in Jersey City (New Jersey) offers a special service to mortgagees interested in modernization and improvement loans. Among present depositors, the bank reasons, there are two groups sold on the idea of making additions to their homes, finishing rooms, installing model kitchens, new appliances and new gadgets of all sorts. One group, during the war years, saved the funds necessary to make these improve-

ments. The second group hasn't saved quite enough for the job, and furthermore their present balances might readily become "nest eggs" with an easy term bank loan to do the job.

The bank helps the second group in this manner: All the home-owner, who is presently amortizing his mortgage, has to do is present his case to the bank. Cost estimates on the desired improvements are made at the bank's own expense, but the borrower is also urged meanwhile to shop around and present his own figures for comparison. Then the loan is tailored to the borrower's income and the length of time it takes to complete the work. The borrower exe-

cutes a supplemental agreement to his mortgage and the funds are advanced as the work progresses. The bank charges a flat rate of \$20 for attorneys fees for drawing the necessary papers. No other charges are incurred.

This method, reports George R. Beach, president, has worked out very satisfactorily.

Fall Festivity

THE DETROIT BANK launched its first annual Fall Festival for employees recently, and from all accounts it was a rollicking success. This event combined some of the best features of a county fair, church festival, and a homey family gathering. Some 600 employees and members of their families visited employee exhibits of hobbies and handicrafts, staged in the bank's spacious training department quarters. Everything from war souvenirs, ceramics, oil and watercolor paintings, model making to the culinary arts of canned preserves, cakes and pies. Winning entries were awarded prizes.

Money Orders

Discussing charges, L. H. Luther, vice-president of the SPRING VALLEY (Illinois) CITY BANK, says in a recent letter that his bank never charges more than 10 cents per hundred on bank drafts. He adds: "Incidentally, we do not call them bank money orders—that nomenclature is poor psychology as it affects banking since it connotes in the mind of the prospective buyer postal money orders, and hence it makes little difference to him whether he buys postal or bank orders. As a matter of fact, right now bank drafts enjoy a negotiability without additional charge to the payee that the postal money order cannot possibly possess under recent postal regulations. In our opinion, banks are passing up a wonderful opportunity to play up *bank drafts* as a preference to *money orders*."

Dealer Contacts

Personal contact with dealers is the best way to build up consumer credit business, in the experience of the PEOPLES NATIONAL BANK of Norristown, Pennsylvania. Before the war the bank had a sizable volume of household appliance discounts because one of the top officers personally developed contacts with the dealers.

At present this man is making it a point to contact by personal call all the home improvement contractors. He continues to make goodwill calls among the household appliance dealers with

(CONTINUED ON PAGE 90)



Financing International Trade

Resumption of overseas trade stresses the importance of having an influential banking connection offering a world wide financial service.

Through a network of banking contacts in foreign countries, and this bank's specially trained foreign banking department, we provide facilities of outstanding advantage to correspondent banks.

Your bank is cordially invited to make use of the good will developed through our eighty years of international business and banking experience with countries in this hemisphere and overseas.

FOREIGN BANKING DEPARTMENT

The First National Bank of Chicago

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

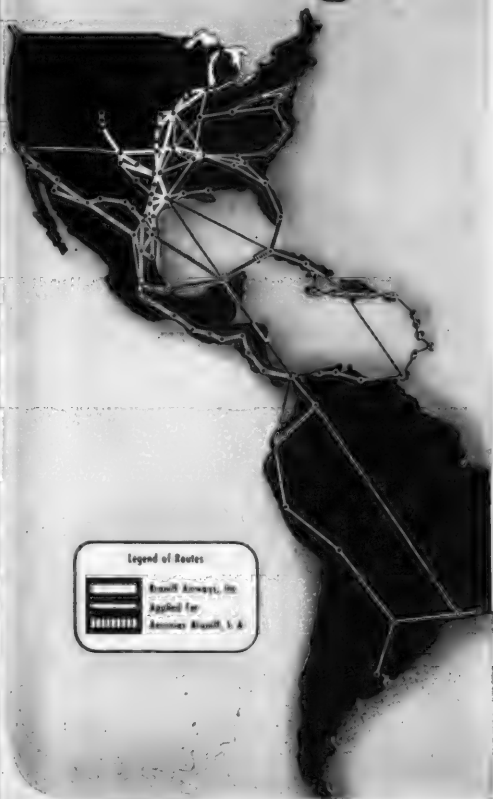


Yesterday's Miracle **IS TODAY'S HABIT**

Flight has become an essential part of our modern commerce and culture.

Braniff's proposal for a coordinated domestic and international air transportation system in the Western Hemisphere will eliminate distance and border delays between the United States and Latin America, add much to trade, income and good living for all, and contribute substantially to our national objective of full employment.

BRANIFF AIRWAYS



TAKE OUR BANK, FOR EXAMPLE—Continued

whom he worked before the war. As an active officer and member of the chamber of commerce and other civic associations, he is able to make contacts in the usual course of business, and so kills two birds with one stone. He is also training other officers to do some of this work.

The bank's outside agricultural loan man contacts agricultural equipment

dealers. Of an estimated potential market of some 90 dealers, the bank has signed up about 45. The agricultural man in his usual rounds among farmers stops to see the agricultural dealers from time to time, and results in volume should show up when they have machinery to sell.

In a word of advice to other banks, this experienced officer suggests a combination of the use of the various officers of a bank making goodwill and "cold turkey" calls, and having one man in

the bank whose sole responsibility is the development of consumer credit business.

Common Trust Fund

The fourth trust institution in New York State—and the first outside of New York City—to set up a common trust fund is the SECURITY TRUST COMPANY of Rochester. Announcing the service in a booklet containing the full-length plan of operation, the bank has trimmed its sales approach to the audience it wants to reach—the plan is discussed in question and answer form, without legalistic phraseology. The same approach is noted in newspaper advertising, where light and sometimes amusing illustrations get across the point that one doesn't have to be a millionaire to establish a trust.

Bank Tours for Students

Among the most successful public relations activities of THE FIRST NATIONAL BANK of Leesburg, Florida, which the bank hopes to resume with normal conditions, were the tours for commercial students of the local high school. Invitations were extended through the instructor, and at the appointed time the group was welcomed by the officers and conducted through the various departments, the cashier explaining the different operations.

To illustrate the paths a check must follow before it returns to the writer, one pupil was selected as a "depositor," opening an account with a check on a fictitious bank. The "new accounts" clerk took his signature, the depositor's ticket was made and sent with the check to a teller and thence to the proof machine operator. A new ledger sheet was set up for him on which a bookkeeper posted the credit.

The check was photographed, ready for "forwarding" to the correspondent bank for collection. Then the pupil wrote a check for the amount to his credit. (It was explained that banks frown on this "touch and go" system, however.) This check was followed through regular channels with each step explained, charged to his account, cancelled, and given to him with his closed-out statement. All of this demonstrated graphically to the class that the handling of checks and deposits makes up the principal work of a bank and that the process costs money.

Equipment was also demonstrated, and the students enjoyed inspecting the vaults.

On some of the occasions the tour ended with the serving of refreshments
(CONTINUED ON PAGE 94)



HOME
ON THE LINE

About the first thing a returning service man wants to do is to talk to Mom or Dad—the wife or sweetheart—or the baby! Then the rush is on Long Distance—and it's an extra big rush right now.

We are putting in new circuits faster than we ever did before, but we cannot meet the peak of the returning soldiers' and sailors' calls. So please do everything you can to keep Long Distance lines clear for service men.

LISTEN TO "THE TELEPHONE HOUR"
EVERY MONDAY EVENING OVER NBC



BELL TELEPHONE SYSTEM

Speedy Movement of Funds

Our Money Transfer Department renders fast and efficient service in transferring funds and our facilities are always at the disposal of our Correspondent Banks. We are prepared to offer suggestions on special problems regarding the transfer of funds to or from any point.

A Partial List of Bankers Trust Company Services to Banks

Collection of Par and Non-Par Checks

Collection of Notes, Drafts, Coupons, Matured Bonds and Other Items (Domestic and Foreign)

Transfer of Funds, Remittances and Domestic Money Orders

Credit Information

Commercial Paper Purchases

Servicing Loans to Brokers and Dealers

Participation with Correspondent Banks in Loans to Local Enterprises

Dealers in United States Government, State and Municipal Securities

Investment Information

Receipt and Delivery of Securities

Commercial and Travelers Letters of Credit

Safekeeping of Securities

Consultation on Pension and Profit-Sharing Plans

Co-Paying or Exchange Agent, Co-Transfer Agent or Registrar, and Co-Depositary

Trust and Reserve Accounts

International Trade and Foreign Banking Facilities



BANKERS TRUST COMPANY

NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Newest Designs in VAULT EQUIPMENT



DIEBOLD Vault Doors offer the maximum in physical protection with modern designs that symbolize strength and security.

DIEBOLD Safe Deposit Vaults offer the latest in design and positive control. You can have your choice of sealed key, key changing, locks — or match your present locks.

ST

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estate a

Ver
Separat
factors
for such
as trust,
discoun

STREAMLINED RECORD SYSTEMS



NIGHT DEPOSITORIES

Cement firmly favorable relations with depositors who need after-hours banking facilities.

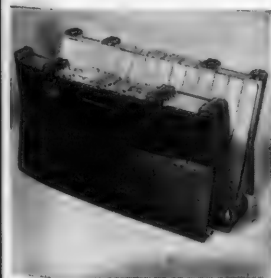


CARDINEER Rotary Card Files

Speed reference and posting for such records as signature, real estate and central file.

TRA-DEX Vertical Visible Files

Separate finding and control factors on 3-way visible margins for such machine posted records as trust, general ledger, note and discount.



With the war over, the rehabilitation of bank equipment and systems is a "must" with countless institutions. Diebold is ready to serve you—with improved equipment designs and streamlined record systems.

Diebold also is ready with advanced fire and burglary resistive doors and vaults—and other bank equipment which has made Diebold a famous name for over 86 years.

The Diebold post-war line embodies the "know-how" gained during these many years plus the wartime experience in producing armor plate for Uncle Sam.

Consult the Diebold man now! He is qualified to give you sound advice—to recommend exactly the equipment which will best serve your needs. Contact our nearest branch office—or wire, phone or write us at Canton.

DIEBOLD
INCORPORATED
CANTON 2, OHIO

Since 1859



COUNTER CASHGUARDS

Discourage attempted holdups and preserve bulk sums against loss.



FLEX-SITE Visible Binders

Control with top or bottom visibility such active records as safe deposit, payroll and mortgage loan.

SAFE-T-STAK Steel Storage Files

Established themselves as the preferred files in pre-war years and are now available exclusively as a Diebold product.



RECORD SYSTEMS • FIRE & BURGLARY RESISTIVE SAFES & DOORS
HOLLOW METAL DOORS • BANK VAULT EQUIPMENT • MICROFILM

Said the Young Printer to the Old Timer:

*What's "air drying" in the paper business?
Sounds to me like a hair dresser.*

Said the Old Timer to the Young Printer:

It's an additional process used only at mills making the finest paper. It makes the paper stronger and improves the surface for writing and erasure.



"After the paper is dried and rolled off the Fourdrinier machine, it's put through another machine about half the size of a house. First it goes through another vat of sizing and then up and down and over a series of rollers while hot air blows on it from above and below. The paper is not under tension, and the rolls are not heated. Ordinary papers don't get this additional strengthening treatment."

And that's only one of the many *additional* processes and materials that make Parsons papers better. All Parsons papers are made with stout cotton fibers, to stand up under use and abuse.

Parsons ledger papers and card stocks for record-keeping purposes (technically known as index bristols) are not pasted-together sheets, but are single, solid pieces with both the necessary flexibility and "snap". An erasure not only leaves the same color, but a smooth, hard surface as well, capable of taking a re-entry from pen, pencil, typewriter or book-keeping machine.

When you buy record-keeping papers, card or ledger, specify Parsons. Then you'll have the best there is in a cotton fiber paper for this job where paper takes a beating and has to be good.



PARSONS PAPER COMPANY • HOLYOKE, MASSACHUSETTS

TAKE OUR BANK, FOR EXAMPLE—Continued

in the bank; on others the young people were taken to lunch in a hotel. So much interest in banking was aroused as a result of these tours that at various times the bank has several of these young people as employees.

Checking Accounts

THE OHIO CITIZENS TRUST COMPANY, Toledo, conducted several surveys to determine whether or not it should inaugurate a pay-as-you-go checking account system. Results indicated that there was "gold in them thar hills."

After analysis of the merits and demerits of selling check books at a fixed fee as against charging on the basis of checks drawn against the account and deposits made, the bank adopted the latter plan. Accounts would be charged five cents for each item deposited and for each check written.

Next problem was to arrive at a name for the plan. The bank decided to conduct a contest among employees, offering prizes for the best three names submitted. First prize was a \$50 War Bond, second prize a \$25 War Bond, and third prize \$5 in War Savings Stamps.

"The response was amazing and the ideas were so uniformly excellent that our judges, who were three local advertising managers, experienced real difficulty in choosing a winner," writes Vice-president Thomas H. Kiley. "However, their judgment was that the name which most adequately described the plan and embodied a considerable amount of advertising appeal was the '5¢ Plan.' A local artist prepared a symbol in the form of a coin which we had copyrighted and the general advertising theme employed in our copy is 'Now everybody can have a checking account.'"

A picture of the first person to open an account, Patrolman Donald Haecker, was taken with William R. Gray, manager of the new accounts and public relations department. This picture obtained some good local publicity for the bank.

The new service is being merchandised by newspaper advertising, attractive displays for busses and street cars, billboard displays, and descriptive folders for general circulation. Other ways of promoting the "5¢ Plan" are under consideration, for the bank thinks results obtained from this type of account are excellent

NO NEED TO GET "UP-IN-THE-AIR"

OVER FINDING A

New Plant Location

SOMEWHERE within the Erie Area may be exactly the plant location you're looking for. How to find it *quickly and easily*? Send the Erie Railroad an outline of your requirements.

You'll get the *facts* on desirable industrial sites which may meet your needs. You'll learn about markets, manpower, resources, transportation, water supply, insurance and tax rates, and other important information. Your identity is held in strict confidence. The Erie does the contact work and research.

No other section of the country has more to offer than the Erie Area. In markets, skilled manpower, raw materials, and transportation, the Heart of Industrial America can give *your* new plant every advantage for success.

For fully detailed information, write George F. Weston, Industrial Commissioner, Erie Railroad, Midland Building, Cleveland 15, Ohio.

Erie Railroad

Robert
LOBSEN



Detailed map and description of the six zones of industrial opportunity within the Erie Area are yours for the asking.



Now - MATCH THEIR BEST WITH YOUR MOST IN THE VICTORY LOAN!

Top off your good work on your Payroll Savings Plan with an outstanding showing in the Victory Loan—our last all-out effort!

Help bring our boys back to the homes for which they

fought—and give our wounded heroes the best of medical care—by backing the Victory Loan! You know your quota! You also know by past war-loan experience that your personal effort and plant solicitation are required to make your quota.



Sell the New F.D. Roosevelt Memorial \$200 Bond through your PAYROLL SAVINGS PLAN!

In rallies, interdepartmental contests, and solicitations, promote the new Franklin Delano Roosevelt Memorial \$200 Bond! Better than "cash in hand," Victory Bonds enable the buyers to build for the future—assure a needed nest egg for old age.

Keep on giving YOUR MOST to the Victory Loan! All Bond payroll deductions during November and De-

cember will be credited to your quota. Every Victory Bond is a "Thank You" to our battle-weary men overseas—also a definite aid in making their dreams of home come true! Get behind the Victory Loan to promote peacetime prosperity for our returning veterans, your nation, your employees—and your own industry!

The Treasury Department acknowledges with appreciation the publication of this message by

BANKING



This is an official U. S. Treasury advertisement prepared under auspices of Treasury Department and War Advertising Council

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

STATEMENT OF CONDITION, SEPTEMBER 29, 1945

RESOURCES

Cash and Due from Banks	\$ 885,689,923.27
U. S. Government Obligations, direct and fully guaranteed	2,765,350,070.29
State and Municipal Securities	154,094,898.63
Other Securities	168,104,505.08
Loans, Discounts and Bankers' Acceptances	919,835,476.94
Accrued Interest Receivable	12,208,063.71
Mortgages	8,153,962.94
Customers' Acceptance Liability	5,579,304.36
Stock of Federal Reserve Bank.	7,050,000.00
Banking Houses	34,406,139.70
Other Real Estate	2,496,862.19
Other Assets	2,424,493.99
	<u>\$4,965,393,701.10</u>

LIABILITIES

Capital Funds:		
Capital Stock	\$111,000,000.00	
Surplus	124,000,000.00	
Undivided Profits	66,128,030.66	
		\$ 301,128,030.66
Reserve for Contingencies	12,992,152.22	
Reserve for Taxes, Interest, etc.	15,849,470.65	
Deposits	4,620,617,797.39	
Acceptances Outstanding	\$ 7,686,531.81	
Less Amount in Portfolio	1,717,975.81	5,968,556.00
Liability as Endorser on Acceptances and Foreign Bills		84,501.58
Other Liabilities		8,753,192.60
		<u>\$4,965,393,701.10</u>

United States Government and other securities carried at \$953,564,096.94 are pledged to secure U. S. Government War Loan Deposits of \$609,782,040.65 and other public funds and trust deposits, and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

Heard Along Main Street

Banker Helps Rule Berlin

LIEUTENANT COLONEL DANIEL J. HORNEY, of Greentree, Pennsylvania, and a member of the staff of the Peoples-Pittsburgh Trust Company from 1928 until he entered the Army in January 1941, and now Military Governor of the Zehlendorf Borough in the United States Sector of Berlin, unearthed \$40 million in art treasures, stamps, and mercury in Mansfelder, Germany.

Prior to assuming duties in Berlin, Colonel HORNEY was military governor of Mansfelder, where his detachment found this treasuretrove in copper mines in that area and removed it by reconstructing a narrow gauge railway running into the mine. Mercury, valued at \$20 million, was stored in glass vials weighing 85 pounds each.



Lt. Col. Horney, *right*, with the local bur-
germeister

In his present assignment, Colonel HORNEY is responsible for the supervision of the civil government within the Zehlendorf area of Berlin, coordinating the work of borough legal, welfare, education, safety and food administrators within his area. It is his responsibility to rigidly enforce all anti-Nazi measures and make sure that all civil offices are maintained with no racial or political discrimination.

Colonel HORNEY entered Berlin with the initial American forces.

Frederick A. Carroll

The many friends of FREDERICK A. CARROLL, vice-president and trust officer of the National Shawmut Bank, Boston, and former president of the A.B.A. Trust Division, were shocked to hear of his death in an automobile accident near Chantilly, France, on October 16.

Mr. CARROLL, American Red Cross Commissioner for Great Britain and Western Europe, was driving with a



A recent picture of the late Mr. Carroll while on a field inspection trip in France

convoy of trucks carrying clothing for distribution in Luxembourg.

MERLE E. SELECMAN, his assistant, who was riding with him, received two broken ribs and a slight concussion. Mr. SELECMAN, on leave from his position as deputy manager in charge of the Trust Division and A.B.A. secretary, was taken to the American Hospital in Paris.

Mr. CARROLL, 56 years old, had long been prominent in banking and legal circles. He was appointed to his Red Cross post last April, succeeding Harvey D. Gibson, president of the Manufacturers Trust Company, New York. He had been counsel of the National Shawmut for 10 years and was president of the Trust Division during the last Association year.

Mr. CARROLL, who lived in Watertown, Massachusetts, was an alumnus of Dartmouth College and the Harvard Law School. He is survived by his wife, five daughters and a son.

Funeral was held on October 20 in Madelaine Church, Paris. Full military honors were accorded him.

Mr. SELECMAN joined Mr. CARROLL in France early in August.

Hecht to Retire

RUDOLF S. HECHT, chairman of the board, Hibernia National Bank and Trust Company, New Orleans, and former president of the American Bankers Association, has announced that he will not be a candidate for reelection at the stockholders' meeting next January. ALBERT BARNET PATERSON, president of New Orleans Public Service, Inc., will replace Mr. HECHT in the chairmanship, which he has held since 1934. He was president of the bank from 1918 to 1934, and previously served as bond officer, vice-president and trust officer. He was A.B.A. president for the Association's 1934-35 year.

After his retirement, Mr. HECHT in-

tends to take an extended combination pleasure and business trip through Central and South America, and upon his return will devote a part of his time to the shipping business in his capacity of chairman of the board of the Mississippi Shipping Company, which he helped organize 26 years ago.

He also contemplates devoting part of his time to international economic and business problems and to helping in the development of the export and import business throughout the Mississippi Valley, and particularly through the Port of New Orleans.

His office will continue to be in the Hibernia Bank Building.



Mr. Hecht



Mr. Jenkins

Auditors Elect Officers

BEN N. JENKINS, assistant vice president, First National Bank & Trust Co., at Oklahoma City, was advanced from first vice-president to president of the National Association of Bank Auditors and Comptrollers at the association's 21st annual meeting in Chicago recently.

Mr. JENKINS succeeds JOHN C. SHEA, assistant vice-president, Whitney National Bank at New Orleans.

Other officers elected include: ARTHUR R. BURBETT, comptroller, First National Bank at Baltimore, advanced from second vice-president to first vice-president; MILLS B. LANE, Jr., first vice-president, Citizens & Southern National Bank, Atlanta, from secretary to second vice-president; and PAUL D. WILLIAMS, comptroller, Corn Exchange National Bank & Trust Co., at Philadelphia, from treasurer to secretary.

EDWARD F. LYLE, comptroller, City National Bank & Trust Co., Kansas City, was elected treasurer.

Robert Morris Election

KENNETH K. DUVALL was elected president of the Robert Morris Associates at the annual meeting of the organization of bank credit men re-

(CONTINUED ON PAGE 98)

PAY-BY-CHECK



Are YOU Profiting By This Trend?

Never before has there been such a vast potential market in America for a time-saving, low-cost checking account. Never have the reasons for paying bills by check been so many and so obvious.

"No-Minimum-Balance Checking Accounts" can increase your present earnings and establish valuable contacts for other bank services — consumer credit, for instance—now that more and more goods are available.

The Todd Company has developed No-Minimum-Balance Checking Account

Services that are bank-tested and custom-tailored to your bank's individual needs. We will help you install a profitable plan that has proved its workability in localities like yours. And we supply promotional ideas to help you build volume and increase profits.

Send for free booklet, "No-Minimum-Balance Checking Accounts," which presents in condensed form the results of our research in the field. It will help you explore new profit possibilities for your bank.



ROCHESTER NEW YORK

SALES OFFICES IN PRINCIPAL CITIES
DISTRIBUTORS THROUGHOUT THE WORLD

THE TODD COMPANY, INC., ROCHESTER 3, N. Y.

Please send me your booklet on No-Minimum-Balance Accounts, with suggestions for analyzing our own situation. Without cost or obligation, of course.

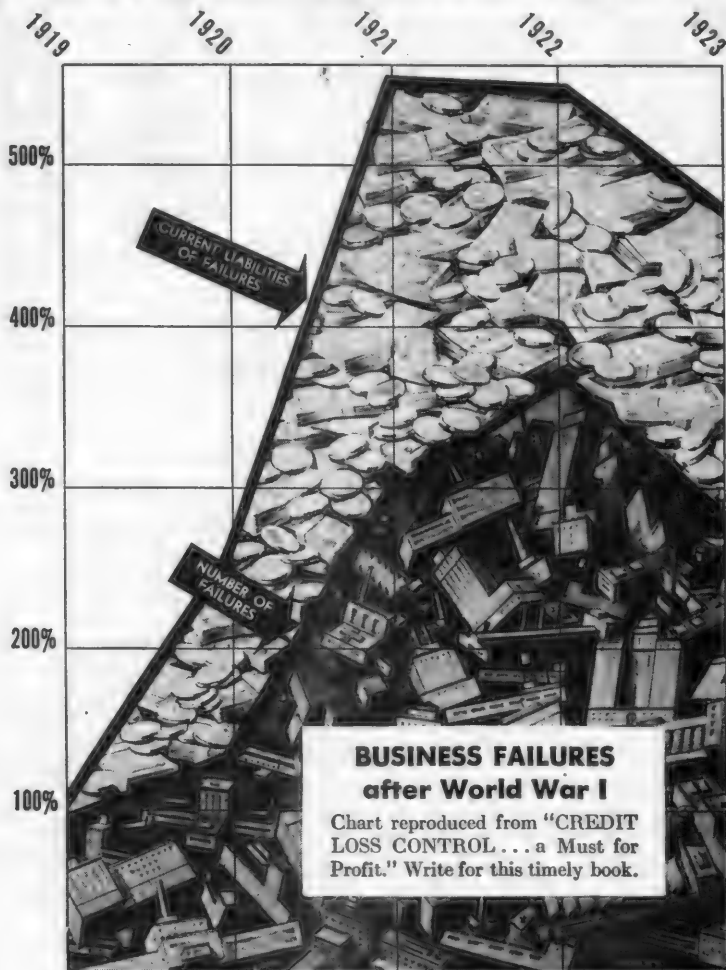
NAME _____ TITLE _____

BANK _____

City _____ County _____ State _____

B-11-45

If History Repeats...Will Customers' Losses Jump?



Credit Losses Jumped after World War I. In three years the number of business failures mounted to 367% of the 1919 total. Current liabilities of failures climbed even faster . . . to 553.7% of the 1919 total in just two years.

Will History Repeat? No one knows. That's why thousands of banks recommend Credit Insurance to their Customers . . . and many banks insist on this added protection in granting loans. American Credit Insurance places a definite cash value on customers' accounts receivable for goods shipped . . . guarantees that they will be paid . . . and the bank now may be included as a named assured without charge.

"Credit Loss Control" . . . a new, timely book . . . contains important figures and up-to-the-minute facts that you need . . . to assist customers who seek your advice about credit policies and problems. For a copy address: American Credit Indemnity Company of New York, Dept. 45, First National Bank Building, Baltimore 2, Maryland.



J. W. Fadden
PRESIDENT

American Credit Insurance

Guarantees Payment
of Accounts Receivable

OFFICES IN PRINCIPAL CITIES OF THE UNITED STATES AND CANADA

MAIN STREET—Continued

cently. Mr. DUVALL is vice-president of the City National Bank and Trust Company, Chicago. Other officers elected are: first vice-president, ERNEST E. NELSON, manager, Brown Brothers, Harriman and Company, Boston; second vice-president, ARTHUR L. MOLER, vice-president, Fifth Third Union Trust Company, Cincinnati.

Morris Plan Officers

JOSEPH E. BIRNIE, president of the Morris Plan Bank of Georgia, has been elected president of the Morris Plan Bankers Association. He succeeded RICHARD M. STOUT, who resigned to accept the vice-presidency of the Industrial Bank of St. Louis. The association's new first vice-president is LINWOOD P. HALL, executive vice-president, Morris Plan Bank of Washington, D. C., while H. M. HARRIS, Morris Plan Bank of Topeka, Kansas, is second vice-president.

Bank Women Elect Officers

At the annual meeting of the Association of Bank Women in New York the following officers were elected for 1945-46: *President*, HELEN KNOX, manager, Women's Department, Chase National Bank, Grand Central Office; *Vice-president*, WILLA A. RILEY, assistant cashier, Florida National Bank, Jacksonville; *Recording Secretary*, Mrs. HELEN RICHARD FEIL, assistant secretary, The Dime Savings Bank of Brooklyn; *Corresponding Secretary*, HARRIET W. ELLIOT, secretary of Connecticut Savings Bank, New Haven; *Treasurer*, EMMA C. REITMEIER, vice-president of First National Bank of Spokane, Washington.

Eight regional vice-presidents elected include: EDITH R. WISE, assistant cashier of Gary National Bank, Gary, Indiana; M. IRENE WEST, vice-president, The National Bank of Far Rockaway, Far Rockaway, New York; MARION E. MATTSON, department manager, Northwestern National Bank, Minneapolis, Minnesota; DORA C. HALLBERG, personnel officer, The First National Bank of Boston, Boston, Massachusetts; ANNABELLE SCHMIDT, assistant cashier, The First National Bank of Pullman, Washington; BERTIE G. HALE, assistant cashier, The Morris Plan Bank of Georgia, Atlanta; Mrs. SHANNON KELLY JENSEN, executive vice-president, Security State Bank, Pharr, Texas; LILLIAN C. HAGE, assistant cashier, Bank of America NT and SA, Los Angeles.

(CONTINUED ON PAGE 100)

THE NATIONAL CITY BANK OF NEW YORK

Head Office • 55 WALL STREET • New York



Condensed Statement of Condition as of September 30, 1945 Including Domestic and Foreign Branches

(In Dollars Only—Cents Omitted)

ASSETS

Cash and Due from Banks and Bankers.....	\$ 893,285,810
United States Government Obligations (Direct or Fully Guaranteed).....	2,323,565,991
Obligations of Other Federal Agencies.....	34,568,891
State and Municipal Securities.....	165,903,532
Other Securities.....	98,181,066
Loans, Discounts, and Bankers' Acceptances...	1,016,817,136
Real Estate Loans and Securities.....	6,036,851
Customers' Liability for Acceptances.....	6,656,465
Stock in Federal Reserve Bank.....	6,000,000
Ownership of International Banking Corporation.....	7,000,000
Bank Premises.....	30,224,729
Other Assets.....	2,901,562
Total.....	\$4,591,142,033

LIABILITIES

Deposits.....	\$4,298,169,026
(Includes United States War Loan Deposit \$495,689,738)	
Liability on Acceptances and Bills.....	\$11,728,881
Less: Own Acceptances in Portfolio.....	4,332,283
	7,396,598
Items in Transit with Branches.....	15,547,338
Reserves for:	
Unearned Discount and Other Unearned Income.....	1,846,685
Interest, Taxes, Other Accrued Expenses, etc.	27,974,881
Dividend.....	2,015,000
Capital.....	\$77,500,000
Surplus.....	122,500,000
Undivided Profits.....	38,192,505
Total.....	\$4,591,142,033

Figures of foreign branches are included as of September 25, 1945, except those of branches in the Far East possession of which we have not recovered. For these latter the figures are prior to enemy occupation but less reserves. \$697,088,012 of United States Government Obligations and \$8,626,861 of other assets are deposited to secure \$626,255,536 of Public and Trust Deposits and for other purposes required or permitted by law.

(Member Federal Deposit Insurance Corporation)

DIRECTORS

GORDON S. RENTSCHLER
Chairman of the Board

W. RANDOLPH BURGESS
Vice-Chairman of the Board

WM. GAGE BRADY, JR.
President

SOSTHENES BEHN
President, International Telephone and Telegraph Corporation

CURTIS E. CALDER
Chairman of the Board, Electric Bond and Share Company

GUY CARY
Shearman & Sterling & Wright

EDWARD A. DEEDS
Chairman of the Board, The National Cash Register Company

CLEVELAND E. DODGE
Vice-President, Phelps Dodge Corporation

A. P. GIANNINI
Founder-Chairman, Bank of America National Trust and Savings Association

JOSEPH P. GRACE
Chairman of the Board, W. R. Grace & Co.

JAMES R. HOBBS
President, Anaconda Copper Mining Company

AMORY HOUGHTON
Chairman of the Board, Corning Glass Works

GERRISH H. MILLIKEN
President, Deering, Milliken & Co. Incorporated

GERARD SWOPE
Honorary President, General Electric Company

REGINALD B. TAYLOR
Williamsville, New York

ROBERT WINTHROP
Robert Winthrop & Co.

Home From the War

Many bankers are returning to their jobs these days after long and distinguished service with the armed forces abroad or at home. In numerous instances they are taking up new duties that go with promotions. Here are some of the veterans who are again bankers:

Lieutenant Commander H. P. J. DUBERG has resumed his post as assistant secretary and trust officer of The Bridgeport-City Trust Company, Bridge-

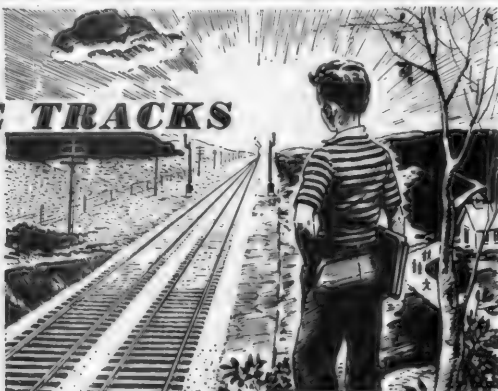
port, Connecticut, after nearly 40 months in the Navy. In the course of 27 months in the Pacific on the *U. S. S. Marcus Island*, baby flattop, he took part in the invasions of the Palau Islands, Leyte, Mindoro, Luzon and Okinawa, as well as the Second Battle of the Philippines. As navigating officer of a flattop squadron, he piloted it at night through the channel islands of the Philippines into the Sulu Sea when Mindoro was invaded. His ship was struck twice by suicide dive bombers.

Lieutenant Commander DUBERG has the American Defense Ribbon, and Asiatic-Pacific Ribbon, with four battle stars, and the Philippine Liberation Ribbon with two stars.

Lieutenant Commander ALLEN B. MORGAN, vice-president of The First National Bank of Memphis, is back at the bank after three and a half years in the Navy during which time he took part in attacks on Guam, Tinian, Palau, Formosa, French Indo-China, the China Coast, the Philippines and Okinawa. Through a nine-month period of sea duty he spent only 12 hours ashore—at Ulithi Island. He served on the carriers *Essex*, *Bunker Hill*, *Lexington* and *Intrepid*, and was aboard the last when it was hit by three Jap suicide planes.

He earned six battle stars and holds a citation by Admiral Halsey "for outstanding service as aide and flag secretary to Commander Carrier Division Four, then commanding a task group."

LOOKING UP THE TRACKS



To Demobilization To you returning Veterans we feel the same urgent responsibility for getting you Home as we did for getting you to the Front. There are inspiration and satisfaction in the happy ending of a job that only yesterday had nothing but the grimmest aspects. Count on us to keep the supply lines open and to serve you faithfully.

To Reconversion To Industry we say it is our purpose to gear our operations with yours, in order to smooth and shorten the route to Reconversion and Peacetime Commerce. We will provide the type of transportation required by manufacturers for the prompt delivery of needed raw material and for the economic distribution of finished goods.

To Modernization To Travelers, as soon as demobilization permits, we pledge a full and quick transition of passenger service—tuned to the times and to the traditions of The Milwaukee Road . . . To old friends, who at times relinquished their privilege to travel in their accustomed style, we convey our gratitude for their patience and understanding . . . Good days of comfort and hospitality for all Milwaukee Road patrons are ahead.

The Milwaukee Road looks forward to being unceasingly busy in performing these jobs. A long-term program of development and modernization of plant and facilities is being carried forward. Later plans, now in the making, will be progressively unfolded.

Look up the track! The signals say "All clear!" Let's go!

THE MILWAUKEE ROAD

The Anglo-California National Bank has promoted two pre-war employees who have returned from service. HORACE K. WELCOME, an Army captain, has been made an assistant vice-president in the business development, and NEWTON C. OWEN, a major, became an assistant vice-president in the automobile finance department.

After serving three years in the Naval Reserve, Lieutenant Commander DONALD W. POTTER has resumed his vice-presidency in the First National Bank of Louisville, and been elected to the board of directors. His war service was in the West Indies, the Pacific, and at Corpus Christi, Texas.

Captain JOSEPH E. PARKER has been made manager of the consumer credit department of the First National Bank and Trust Company of Tulsa. Before his service with the Army Air Forces as an overseas intelligence officer, Captain PARKER managed the bank's credit department.

Lieutenant Colonel DEAN J. WELLS has returned to his former duties as vice-president of The Commercial National Bank and Trust Company, New York, after three years of service in the Finance Department, AUS.

Captain WILLIAM R. DRIVER, JR.
(CONTINUED ON PAGE 102)

Col. Wells



Capt. Driver





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Well . . . how do secretaries feel at quitting time? That's the test. Was the typing clear and clean—did it go smoothly and quickly without undue fatigue? Was one more day added to hundreds past without need for service or repairs? For thousands and thousands of Smith-Coronas, right through high-pressure war years, the answer has been an unqualified "Yes"—an answer which we promise will be more than ever justified by the performance of the new machines now becoming available.



Smith-Corona



MAIN STREET—Continued

has been elected an assistant vice-president of the Bank of the Manhattan Company. He served more than a year with the Control Division of the Army's Services Forces. He entered the Army as a private.

Major NEVILLE BLAKEMORE, who served with the Army for three years, has been elected a trust officer of The Kentucky Trust Company, Louisville. When he entered the Army he was a vice-president of the First National Bank, Louisville, affiliated with the trust company. He was in Washington



Lt. Smith



Col. Kyle

first as an intelligence officer and then as chief of the Price Analysis Branch of the Procurement Division, AAF.

EDWARD BYRON SMITH, returning to The Northern Trust Company of Chicago after four years' leave of absence

in war service, has been made a vice president. During the war he was a deputy administrator of the War Savings staff in Chicago and later was commissioned a lieutenant, USNR, assigned to the Office of Procurement and Materials in Washington. Subsequently he became assistant chief of the Finance Division, and early this year was assigned to the Office of Contract Settlements.

Colonel WILLIAM HARVEY KYLE, who was manager of the personal loan and finance department of The Cleveland Trust Company before going into service in 1942, has been elected a vice president of Bankers Trust Company, New York. He has charge of the consumer credit department. Colonel Kyle served as aide to the Secretary of War and recently received the Legion of Merit award. A graduate of West Point, he also served in World War I.

Other new vice-presidents named by Bankers Trust are: W. E. Blakey, R. H. Hobbs, J. H. Riddle, and Harvey Emery.



Messrs. Blakey,
Hobbs, and
Riddle

Citations to Bankers

Recent citations to National City Bank of New York employees include the award of two Distinguished Flying Crosses and two Air Medals to Lt. ALEXANDER STILLMAN, formerly assistant cashier and son of the bank's former president and chairman, the late James A. Stillman, according to *Number Eight*.

As a pilot of a Navy patrol bomber, Lieutenant STILLMAN is credited with sinking several Jap cargo ships of assorted types, one large Jap whaling ship, one heavily armed patrol boat, two large fishing vessels, and with shooting down one Jap plane. In addition the lieutenant and his fighting Liberator

(CONTINUED ON PAGE 105)



Experience

Specializing in the problems of the Great Lakes Industrial Region, Central National Bank of Cleveland, with its 55 years of experience, serves bankers and industrialists in their varying needs for representation in this area.

CENTRAL NATIONAL BANK
of Cleveland

CLEVELAND 1, OHIO • 12 CONVENIENT OFFICES • MEMBER FDIC

TRUCKS and TRAILERS...



SPEED RECONVERSION

AS FACTORIES change over to the manufacture of peacetime goods—radios, refrigerators, motor cars and everything to meet pent-up public demand—fast motor transport is vital. For switching production from plane parts to dishpans—getting factory production lines humming again—requires speed and coordination that only Trucks and Trailers can provide.

This war has taught us that no assembly line is confined to any one plant. It must reach into every part of the country . . . wherever parts for

the final product are made. Trucks and Trailers are part of that conveyor system . . . on a cross-country scale. Motor transport keeps goods flowing on schedule—with clock-like precision. It can be so well timed that your own assembly lines determine the speed of the flow.

Today, manufacturers are providing in their building programs facilities for the expanded use of this flexible transportation method. These plans vary from the simple provision of adequate loading and unloading space to the most modern form of "in-building" highways running through the entire building.

As you, in your business, plan to better coordinate transportation with production, by all means consult your Traffic Manager and your Architect. Both will have good ideas to improve the efficiency of your operation and help you speed reconversion.

VETERANS! OPPORTUNITIES AWAIT YOU AT FRUEHAUF NATION-WIDE FACTORY BRANCH SERVICE STATIONS!



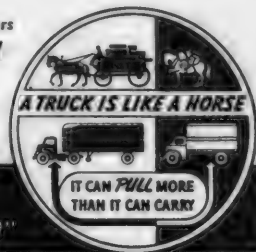
A number of openings are available in Fruehauf's 60 Factory-Branch Service Stations for men with mechanical ability. These positions offer excellent factory training with opportunities to graduate to a service managership or to the company's sales force, if desired. Contact your nearest Fruehauf Branch. Refer to the yellow pages of your telephone directory—or write for address.

World's Largest Builders of Truck-Trailers

FRUEHAUF TRAILER COMPANY

DETROIT 32

Service in Principal Cities



FRUEHAUF TRAILERS

"ENGINEERED
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Banks • Manufacturing Concerns Service Companies • Retailers THEY ALL DO BUSINESS WITH BURROUGHS

It isn't surprising that the great majority of banks, manufacturing concerns, public utilities and other types of business throughout the nation are listed as satisfied users of Burroughs machines.

For today, more than ever before, the alert executive in any business insists on quality—machines built with precision to operate with precision . . . designed to give years of trouble-free service. He likes to do business with a concern whose range of products is broad enough to give him the greatest freedom of choice in selecting the right machine for every

job. He wants to be sure that the manufacturer can be depended on to keep his equipment in top operating condition at all times. He welcomes new ideas on office routines and procedures that will help him make greater savings in time, money and effort.

When any executive assays the value of finer products . . . the most complete line of machines . . . outstanding maintenance service . . . experienced technical help and counsel—it's sure to add up to Burroughs. For Burroughs' leadership is built by meeting not one, but *all* of these requirements!

BURROUGHS ADDING MACHINE COMPANY • DETROIT 32, MICHIGAN



This Aluminum Company of America installation of Burroughs Computing-Billing Machines is just one of thousands found in offices throughout the world.

1st
Burroughs
IN MACHINES
IN COUNSEL
IN SERVICE

FIGURING, ACCOUNTING AND STATISTICAL MACHINES • NATIONWIDE MAINTENANCE SERVICE • BUSINESS MACHINE SUPPLIES

MAIN STREET—Continued

strafed a total of 43 Jap fishing boats.



Lt. Stillman



Lt. Faath

Another National City Bank of New York employee to receive the Air Medal for "meritorious acts during aerial flights against the enemy" is Lieutenant HARRY FAATH. The lieutenant served overseas with a Marine Fighter Squadron and participated in missions over many central Pacific Islands and took part in a series of daring low-altitude strafing attacks against anti-aircraft and coastal guns on the east coast of Wotje Island.

Master Sergeant ROY STROM, also a National City Bank of New York man, was awarded the Bronze Star for meritorious service as chief clerk of the Finance Section, the citation stating that his "administrative ability and devotion to duty have reflected the highest credit upon himself and the Armed Forces."

Have You Heard?

FRANK M. TOTTON, second vice-president, Chase National Bank of New York and chairman, A.B.A. Committee on Public Education, has been elected national chairman of the Laymen's Committee, Restoration Fund, Presbyterian Wartime Service Commission.

Mr. TOTTON also is president of the Y. M. C. A. of the City of New York, director of the Boy Scouts of Greater New York, and director of the Protestant Council of the City of New York.



Mr. Totton



Mr. Phillips

Manufacturers Trust Company of New York has announced the promotion of NELSON B. PHILLIPS from assistant

vice-president to vice-president, and RAYMOND C. DEERING from assistant comptroller to deputy comptroller.

Directors of the Seattle-First National Bank have elected THOMAS F. GLEED to the presidency, succeeding J. A. SWALWELL, who has resigned after 54 years in active banking service. Mr. GLEED, one of the youngest bank presidents in the West, started his career in the petroleum business and with a Seattle investment banking firm.

Union Bank and Trust Company of Los Angeles has promoted DON R.

CAMERON, formerly trust officer, to senior trust officer.

JOHN C. BROWN, assistant secretary of Chicago Title and Trust Company since 1923, has retired after 56 years of service with the organization. He was replaced by EDWARD C. BLANK.

The Bank of Whiting, Whiting, Indiana, has elected WALTER E. SCHRAGE to the vacant post of president.

DAN E. TEAGUE, chairman of the board, Capital City Bank of Tallahassee, Florida, has been elected president of the Florida Bankers Association.

More travelers cheques...per Gallon



1. Now that gasoline restrictions have been lifted there's sure to be a big step up in American Express Travelers Cheques sales, Mr. Baldwin.



2. Yes, Mr. Crosby, it doesn't take Americans long to catch on to a good idea—whether they're going places by car—or *are going places in our business, eh.*



3. You're right, Mr. Baldwin. American Express Travelers Cheques are ideal for auto travelers. They're spendable anywhere and *should* they be lost or stolen the owner gets a prompt refund no matter where he is.



4. Absolutely, Mr. Crosby. All a motorist needs today is the car, the tires and the gasoline to take him somewhere and American Express Travelers Cheques will take care of him wherever he goes.

WITH more cars on the road . . . with more people going places . . . the opportunity for selling Travelers Cheques is greatly extended. For advertising material and suggestions to help your bank capitalize on this increased market write to W. A. Stetser, Vice Pres., American Express Company, 65 Broadway, New York 6, N. Y.

American Express
TRAVELERS CHEQUES

Lieutenant Colonel WALTER H. KURTZ, formerly assistant treasurer of The Cleveland Trust Company, is now the military governor of Munich. Colonel KURTZ was captain of a 107th Cavalry troop before the war, and was activated with his unit in March 1941. He went overseas in May 1944 after a military government course at the University of Virginia.

The Bank for Savings in the City of New York has promoted WILLIAM F. FERGUSON from treasurer to vice-president, and ROBERT F. MARCHANT from assistant treasurer to treasurer.

LT. MILDEN (Frank) ALBAN, son of F. L. ALBAN, vice-president, First National Bank and Trust Company, Tulsa, Oklahoma, has been awarded the Bronze Star Medal for his outstanding work in representing and handling U.S.S.T.A.F. and the Eighth Air Force by radio.

Lieutenant ALBAN was a public relations officer with the Eighth Air Force, stationed in London.

The Bank of Montreal has announced that A. J. L. HASKELL, who for some years has been the bank's first agent in New York, has been named assistant

general manager of the bank and has returned to the head office to take up new duties. J. S. BOLTON, who is in charge of the securities department at the head office of the Bank of Montreal, also has been named assistant general manager.

ROBERT L. KNIGHT has been appointed assistant public relations officer of The Howard Savings Institution, Newark, New Jersey.

CARLISLE R. DAVIS, vice-president and secretary of the State-Planters Bank and Trust Company, has been appointed cashier while retaining his other posts.

RICHARD T. EDISON, veteran officer of the Society for Savings, of Cleveland, has retired after 57 years' service. His place as treasurer was filled by the promotion of RALPH LINDEN WILLIAMS.

TEMPLE W. BROADBUDS, BERNARD W. LAPARDE and O. B. WOOLDRIDGE have been elected to vice-presidencies of The Morris Plan Bank of Virginia, Richmond. JOHN S. MCCLURE has been made assistant cashier.

HUGH H. ALLYN, vice-president and supervisor of operations in the trust department of The Cleveland Trust Company, has retired after 44 years with this bank and one predecessor institution. Mr. ALLYN rose from bookkeeper to the rank of vice-president. ROBERT A. WIELAND, for 21 years with the Cleveland Trust, has been elected an assistant trust officer.

Mercantile National Bank of Dallas has elected C. Latimer Baker a vice-president.

The Chase National Bank of New York has announced the following promotions: ESMOND B. GARDNER, pension trust department, and W. ARTHUR GROTZ, railroad department, to be vice-presidents; JAMES J. MAJOR, foreign department, to second vice-presidency; ADOLPHE HAGUE, commercial banking, HARRY P. HILLEN and DAVID A. SCOTT, foreign department, assistant cashiers; IRVIN L. DYER, assistant comptroller.

Mr. Gardner

Mr. Grotz



BANKING

Better Change
THIS—



RISE
VALUES

CREDIT RISKS

ADEQUATELY
INSURED
CREDIT RISKS

—to THIS

When the property behind a credit risk is destroyed by fire or jeopardized by suit you must turn to "contingency collateral" for security. ★ Why not cross that bridge beforehand... make sure adequate insurance backs up each loan when it is made. Your Home-town Agent representing Fireman's Fund will gladly cooperate in adjusting protection to current values:



STRENGTH
PERMANENCE
STABILITY

Fire • Automobile • Marine • Casualty • Fidelity • Surety

FIREMAN'S FUND GROUP

FIREMAN'S FUND INSURANCE COMPANY

HOME FIRE & MARINE INSURANCE COMPANY

FIREMAN'S FUND INDEMNITY COMPANY

WESTERN NATIONAL INSURANCE COMPANY

WESTERN NATIONAL INDEMNITY COMPANY

SAN FRANCISCO • NEW YORK • CHICAGO • BOSTON • ATLANTA



THE NEW YORK TRUST COMPANY

100 BROADWAY

MADISON AVENUE AND 40TH STREET • TEN ROCKEFELLER PLAZA

CONDENSED STATEMENT OF CONDITION SEPTEMBER 30, 1945

ASSETS

Cash and Due from Banks	\$128,104,453.02
United States Government Obligations	432,360,854.58
Other Bonds and Securities	23,694,455.70
Loans and Discounts	198,074,485.50
Real Estate Bonds and Mortgages	582,493.29
Equities in Real Estate	16,782.98
Customers' Liability for Acceptances	455,776.35
Interest Receivable and Other Assets	2,305,184.26
	<u>\$785,594,485.68</u>

LIABILITIES

Capital	\$15,000,000.00
Surplus	35,000,000.00
Undivided Profits	5,009,998.45
	<u>\$55,009,998.45</u>
General Reserve	6,338,336.52
Dividend Payable October 1, 1945	600,000.00
Acceptances	590,733.63
Reserve for Taxes and Other Liabilities	5,162,053.61
Deposits	717,893,363.47
	<u>\$785,594,485.68</u>

United States Government obligations carried at \$153,220,934.27 in the above statement are pledged to secure United States Government deposits of \$141,566,904.48 and other public and trust deposits and for other purposes required by law.

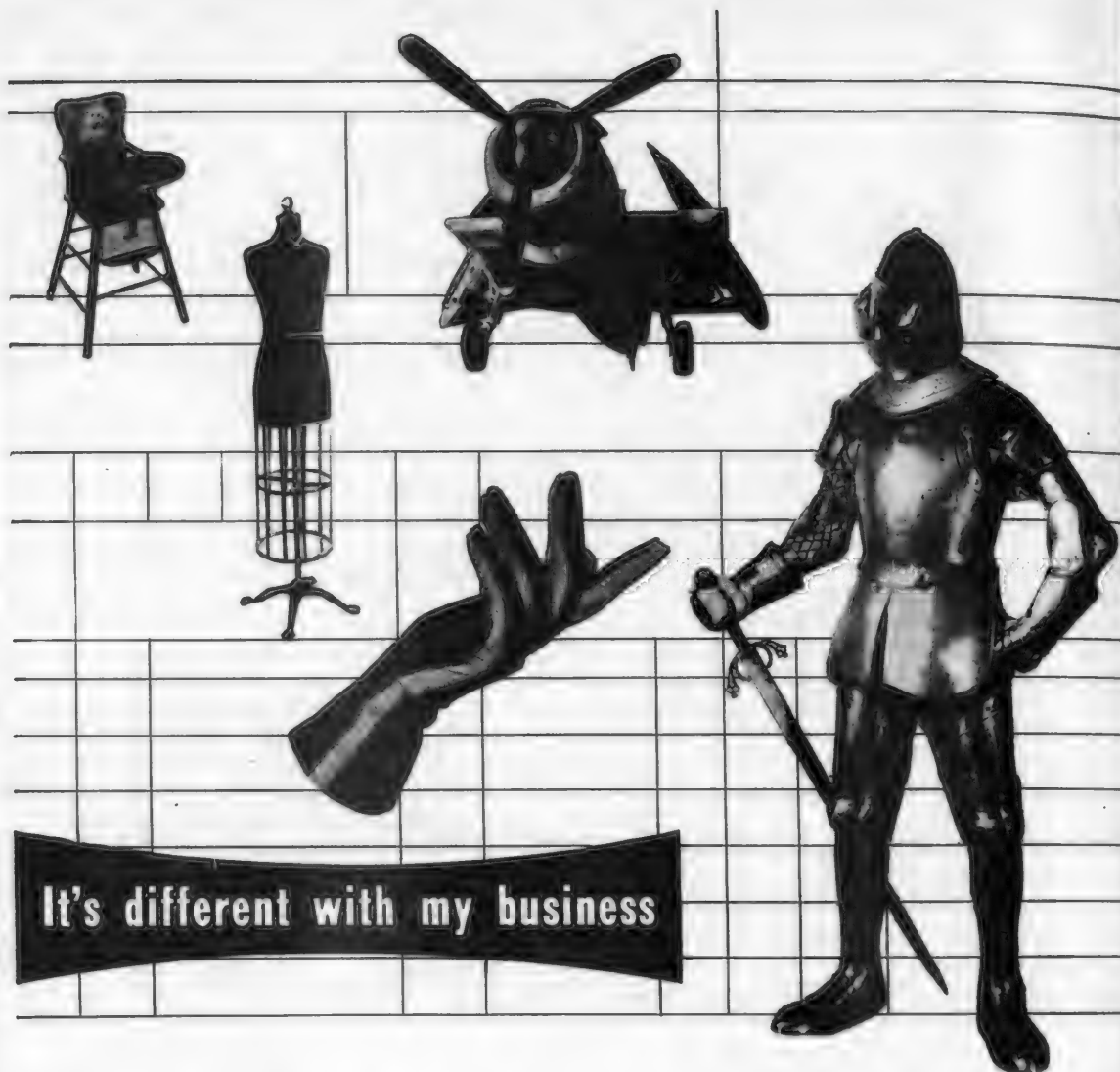
TRUSTEES

MALCOLM P. ALDRICH
New York
GRAHAM H. ANTHONY
Pres., Colt's Patent Fire Arms Mfg. Co.
ARTHUR A. BALLANTINE
Root, Clark, Buckner & Ballantine
JOHN E. BIERWIRTH
President
ALFRED A. COOK
Cook, Lehman,
Goldmark & Loeb
WILLIAM F. CUTLER
Vice-President
American Brake Shoe Company
RALPH S. DAMON
President
American Airlines, Inc.

FRANCIS B. DAVIS, JR.
Chairman of the Board
United States Rubber Company
SAMUEL H. FISHER
Litchfield, Conn.
WILLIAM HALE HARKNESS
New York
HORACE HAVEMEYER, JR.
Executive Vice-President
The National Sugar Refining Company
B. BREWSTER JENNINGS
President, Socony-Vacuum Oil Co., Inc.
ADRIAN M. MASSIE
Vice-President

HOWARD W. MAXWELL
New York
HARRY T. PETERS
New York
SETON PORTER
President, National Distillers
Products Corporation
ROBERT C. REAM
President, American Re-Insurance Company
MORRIS SAYRE
President, Corn Products Refining Company
CHARLES J. STEWART
Vice-President
VANDERBILT WEBB
New York

Member of Federal Deposit Insurance Corporation



It's different with my business

Simmering on the back of the stove is many a man's idea that his business forms need overhauling.

"My business is different," he will say. "We have special problems which ought to get special attention *before* the forms are designed."

Your business *is* different. Whether you make gloves, airplanes, armor suits, dress goods or baby chairs, your business forms should be engineered to *your specific needs*.

A bank will not have the problems of an insurance company. A bus line will demand forms that a grocery store finds unnecessary. A corporation with many branches requires a treatment all its own. Moore knows this, and designs accordingly.

The Moore representative is a form specialist. He will study your business forms, in co-operation with members of your organization. Then he will recommend for your needs.

The ten companies below have long been under Moore ownership. Now they combine under the Moore name — without change in ownership, management or policy.

To find out, without any obligation, what Moore can do for your business, get in touch with the nearest Moore division, as listed below, or its local office. *Moore is ready to supply you with everything from a simple sales book to the most elaborate forms.*

AMERICAN SALES BOOK CO., INC., NIAGARA FALLS AND ELMIRA, N. Y.
PACIFIC MANIFOLDING BOOK CO., INC., EMERYVILLE; LOS ANGELES, CALIF.
GILMAN FANFOLD CORP., NIAGARA FALLS, N. Y.
COSBY-WIRTH MANIFOLD BOOK CO., MINNEAPOLIS, MINN.
MOORE RESEARCH & SERVICE CO., INC., NIAGARA FALLS, N. Y.
SOUTHERN BUSINESS SYSTEMS, INC., ORLANDO, FLA.
MOORE BUSINESS FORMS, INC. (New Southern Div.), DALLAS, TEX.; ATLANTA, GA.

In Canada—Moore Business Forms, Ltd., succeeding Burt Business Forms, Ltd., Toronto
Western Sales Book Co., Ltd., Winnipeg and Vancouver
National Sales Check Book Co., Ltd., Montreal

MOORE BUSINESS FORMS, INC.

ADV. BY D. W. HILL

BANKING

ORGANIZATIONS AFIELD

Farm Credit School

The CONNECTICUT BANKERS ASSOCIATION, recognizing the importance of the agricultural program and its tie-up with banking, held a two-day farm credit school session with farming authorities at the University of Connecticut October 17-18. Albert W. Clock, chairman of the association's agricultural committee, presided. Instructors on various phases of farm economics were drawn from the university faculty and extension service staff, and leading bankers throughout the state.

New Secretaries

Leigh Watkins, executive manager of the State War Finance staff, and statistician-on-leave of the State Tax Commission, has been named secretary of the MISSISSIPPI BANKERS ASSOCIATION, replacing Buford Yerger who will become vice-president and trust officer of the Commercial Bank & Trust Company, Jackson, December 1.

Carl G. Swanson has been appointed secretary of the NEBRASKA BANKERS ASSOCIATION, effective January 1, replacing William B. Hughes, who rounded out 40 years of service this year. Mr. Swanson is at present state treasurer.

Accounting Procedure

The NATIONAL ASSOCIATION OF BANK AUDITORS AND CONTROLLERS is working on a step-by-step cost accounting procedure which individual banks, large and small, can readily follow, leaving out any phase which may not be applicable to their operation. The study will cover commercial and savings departments. Another project under way covers the subject of accounting and auditing for small banks, and a third will be the study of the original basis for FDIC assessments seeking to determine whether changes are indicated. In addition, a separate reference file is to be set up on defalcations: how they occurred, how they were detected, and what preventive measures should be taken.

Bond Study

The MISSOURI BANKERS ASSOCIATION has just issued an interesting tabulation showing the amount of each issue of government bonds held by banks, classified as to deposit size and also showing the percentage of bonds held in relation to deposits. The study was

made by the association's bank management commission.

Consumer Credit Clinic

The VIRGINIA BANKERS ASSOCIATION will hold its first consumer credit clinic at Richmond, November 26-27. A number of outstanding bankers, insurance executives, and industrialists are listed on the agenda as guest speakers. Two panel discussions are planned.

Chattel Loans

The NEW YORK STATE BANKERS ASSOCIATION has distributed to the membership a new booklet, "Agricultural Loans Under the New York State Chattel Mortgage Law," written by Alan J. Flattery, chairman of the subcommittee on chattel mortgage law revision. It describes an important forward step in farm lending, recently made possible through the modification



Doing Business DOWN SOUTH AMERICA'S WAY?

If your banking business extends to Mexico, Latin or Central America, it will pay you to investigate the advantages offered by this bank's specialized knowledge of this field of foreign trade.

Our services are both functional and advisory in scope, our foreign banking contacts

widespread. The foreign department is under the supervision of one of the country's internationally known experts on foreign trade.

Our interest in and knowledge of South American banking has long been a feature of Mercantile-Commerce service to its correspondent banks.



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

of mortgage legislation. It contains, in addition, suggested chattel forms for bank use.

Farm Meetings

Some 56 farm owners of the Middle Western Ocmulgee River Soil Conservation District were awarded certificates of merit at a ceremony conducted recently at Perry under the sponsorship of the GEORGIA BANKERS ASSOCIATION. The significance of this award is the successful completion of standard soil conservation practices, 12 in number, with the requirement that each recipient shall be 95 per cent perfect in each project. The occasion started with a barbecue, assembling more than 250 guests in the Perry School gym, with the compli-

ments of the banks of nine surrounding counties. The group was addressed by Congressman Stephen Pace; B. T. Whelchel of the district board of conservation supervisors; and Floyd Tabor, vice-president of the Georgia Farm Bureau.

Private Enterprise

The COLORADO BANKERS ASSOCIATION has a Committee on the Preservation of Private Enterprise, headed by Frank W. Bieser, president, Moffat County State Bank of Craig. Its functions: constant investigation into the operation of competitive federally subsidized lending agencies; informing members in regard to unfair encroachment on the rights of private enterprise

by these agencies; reporting on legislation, local and national; and assisting in eliminating the subsidy of such competing agencies with the full cooperation of member banks through whatever legitimate channels are open. This committee is presently making a study of the Flannagan Bill now before Congress.

Farm-Industrial Conference

Last month the OKLAHOMA BANKERS ASSOCIATION participated in sponsoring a farm and industrial conference at the Skirvin Hotel, Oklahoma City, together with the Associated Industries of Oklahoma, *Farmer-Stockman*, Oklahoma, & M College, the state board of education, state and city chambers of commerce, and the committee on cooperation with agriculture of the National Association of Manufacturers. The purpose was development of better understanding of post-war problems between farmers and business men, and the evaluation of mutual cooperation toward improving and creating new farm income.

Mortgage Session

The MORTGAGE BANKERS ASSOCIATION of America will hold its 32nd annual meeting as a post-war conference at the Hotel New Yorker, New York, November 15-17. The association in its announcement said it was calling the meeting because of the important role the mortgage lender will play in the coming period of extensive construction. The meeting was originally scheduled for Cincinnati but cancelled earlier this year. About 1,000 mortgage bankers, real estate men, life insurance executives, and commercial bankers are expected to attend.

Radio Program

The trust division of the ILLINOIS BANKERS ASSOCIATION recently sponsored a special broadcast over the Prairie-Farmer Station WLS counseling farmers on the importance of wills. Member banks throughout the state urged their farm customers to listen in.

Some one has said that Japan needs a constitutional monarch. The only trouble is that some morning he may wake up and find he is unconstitutional.

We wonder whether the University of Chicago includes a pass book in its list of 100 great books.

A good many politicians keep busy looking after their political fences or hedging.

Guaranty Trust Company of New York

Fifth Ave. at 44th St. 140 Broadway Madison Ave. at 60th St.
LONDON PARIS BRUSSELS

Condensed Statement of Condition, September 30, 1945

RESOURCES

Cash on Hand, in Federal Reserve Bank, and	
Due from Banks and Bankers	\$ 590,835,321.19
U. S. Government Obligations	2,006,523,381.41
Loans and Bills Purchased	854,413,726.10
Public Securities	\$ 83,475,589.29
Stock of the Federal Reserve Bank	7,800,000.00
Other Securities and Obligations	28,375,658.47
Credits Granted on Acceptances	2,274,116.69
Accrued Interest and Accounts Receivable	10,267,159.19
Real Estate Bonds and Mortgages	1,546,638.46
	183,739,162.10
Bank Buildings	9,178,760.19
Other Real Estate	713,059.65
Total Resources	\$3,595,403,410.64

LIABILITIES

Capital	\$ 90,000,000.00
Surplus Fund	170,000,000.00
Undivided Profits	50,313,121.56
Total Capital Funds	\$ 310,313,121.56
General Contingency Reserve	35,331,658.05
Deposits	\$3,211,632,821.37
Treasurer's Checks Outstanding	7,139,742.45
Total Deposits	3,218,772,563.82
Acceptances	\$ 5,136,661.95
Less: Own Acceptances Held for Investment	2,862,545.26
	\$ 2,274,116.69
Liability as Endorser on Acceptances and Foreign Bills	137,311.00
Dividend Payable October 1, 1945	2,700,000.00
Items in Transit with Foreign Branches and Net Difference in Balances between Offices Due to Different Statement Date of Foreign Branches	762,050.36
Accounts Payable, Reserve for Expenses, Taxes, etc.	25,112,589.16
	30,986,067.21
Total Liabilities	\$3,595,403,410.64

Securities carried at \$716,025,032.17 in the above Statement are pledged to qualify for fiduciary powers, to secure public moneys as required by law, and for other purposes. This Statement includes the resources and liabilities of the English, French, and Belgian Branches as of September 26, 1945.

Member Federal Deposit Insurance Corporation

Here's why you'll want the facts about Checkerdale

Your community needs the Checkerdale program and a Checkerdale store.

The Checkerdale program, through a Checkerdale store, can bring to your farmers and local business the benefits of the scores of feeding and management discoveries made at the world-famous Purina Research Farm.

Moreover, the Checkerdale store is a one-stop farm supply headquarters — a mighty important local business institution anywhere.

There, in a nutshell, is why you, as a banker, will want the complete facts about Checkerdale. The Purina field man in your area will be glad to present them to you. But, better yet, we cordially invite you to come to St. Louis for a detailed presentation of the Checkerdale program at a meeting of prospective Checkerdale dealers. Just let the Purina field man know you'd like to go with him the next time he takes a group to St. Louis. If you don't know his name, write BANKERS' SERVICE DIVISION, PURINA MILLS, St. Louis 2, Mo.

THE PURINA RESEARCH FARM

When you come to a meeting of prospective Checkerdale dealers, you'll spend one day at the Purina plant and office and one day at the famous 544-acre Research Farm, which has contributed substantially to American agriculture. This is not a "model" farm, but a down-to-earth working farm, with methods and equipment

available to almost any progressive farmer. From the Purina Research Farm has come the Checkerdale program, which covers Livestock and Poultry feeding, Farm Management, Livestock and Poultry Breeding, Disease Prevention and Parasite Control, Crop Planning and Soil Conservation, Soil Improvement, Buildings and Equipment and Marketing.

COMMUNITY BUILDERS



Dedicated to the Building of the Agricultural Community



• • • If you contemplate new quarters, consult a designer with a reputation for knowing his materials. Only such men know the secret of—and can insure—low maintenance costs.

Combining functional value with eye-appeal is not always easy. Frequently, too, initial savings effected by the designer are nullified by excessive maintenance costs. Price alone is no index to future maintenance; the cheapest material isn't necessarily the best value. Nor is the most expensive.

That is why we maintain a corps of purchasing experts, who devote their full time to the study, purchase and development of all materials and equipment we put into a bank's

quarters. These men, over the years and during the war, have worked closely with manufacturers in many fields in the efficient and economical application of their products to banks.

Most important, having completed—on the average—a bank contract every 10 days for over thirty years, we have acquired a fund of practical knowledge about materials, their use and abuse, unequalled in the field of bank designing. Already the market is being flooded with new products and materials, some good, many questionable. Avoid mistakes in forecasting maintenance costs . . . and obsoles-

cense, which is closely related . . . by consulting us when planning new or remodeled quarters.

HOW CAN BANKERS

INSURE . . . *low*
maintenance costs?



Genesee County Savings Bank
Flint, Michigan
H. H. Curtice, Pres.

Bank Building and Equipment Corporation

OF AMERICA

NINTH AND SIDNEY STREETS • ST. LOUIS 4, MO., U. S.

Some Frank Talk on Lending

(CONTINUED FROM PAGE 35)



Mr. Zimmerman

MR. McDOWELL: It's a short one, Charlie, the answer is "No!"

MR. THOMAS: My views coincide with Harry's, and mainly for this reason: The veteran has a period of six years after his discharge in which to make application for a GI loan. After he takes up civilian life, he will gradually take his place with everyone else in

the local community. If and when as a civilian he negotiates a loan at the local bank at the rate of 4 per cent—whether the guarantee is in the picture to any large extent or not—it is not in the wood to keep on charging his neighbor a higher rate. Therefore, I can see something taking place with other kinds of bank loans at higher rates, particularly in the smaller sized towns.

MR. ZIMMERMAN: Some of us in communities of smaller size feel as though we are out on a limb. We have had several interviews with veterans on the subject of a veteran's loan, but thus far we have not run across a single sound prospect. Harry, it would be interesting to know what the banks in Group VII have done up to this time in GI loans. Can you have them tell us by a show of hands? (Sixty-nine member banks in Group VII.)

MR. McDOWELL: Since we are all here, will the representative of each bank in which one or more GI loans have been made, raise his right hand? (Sixteen persons so indicated.)

MR. THOMAS: Our experience in Gettysburg is the same as in Huntingdon. We have talked with one applicant who wanted to buy an \$8,000 farm on the strength of \$100 he said he could raise, to which the balance was to be added in the form of a loan from the bank. Of course we treated him with precisely the same kind of sympathy and courtesy John Lucas has mentioned at Pittsburgh, and we suggested that further inquiry be made by the applicant regarding the proposed purchase, for his and our information. The small town picture requires that every consideration be given the applicant for a veteran's loan. We make a point of that. I feel that we all realize the reasons for taking pains to meet every situation in the spirit of friendly interest and a desire to be helpful.

MR. ZIMMERMAN: One of the major questions calling for study by bank officers and boards of directors, is whether local banks will be able to hold their lending rates for other than GI loans, above 4 per cent for very long. Harry, I always regard your views as sound and dependable, what is your answer to the question?



It is only logical that it should be! For—with its great natural resources and potential growth—the Southwest is a region of great economic opportunity. Right in the center of this 8-state area is Oklahoma City—by virtue of its location, strategically situated for branch plant manufacturing and regional sales headquarters. . . . In Oklahoma City the First National Bank and Trust Company, one of the Southwest's largest financial institutions and correspondent for 65.8% of Oklahoma banks, is anxious to serve national organizations doing business in the Southwest and banks interested in our services as a correspondent.



**FIRST NATIONAL BANK
AND TRUST COMPANY
OF OKLAHOMA CITY**

Total Resources in Excess of \$200,000,000.00

An Animated Annual Statement

This is the time of year when businesses are thinking about their annual reports. Marked changes have taken place in this document in recent years, the trend being toward attractive, readable presentations of data that can easily be left dull, prosaic, and unread. Good illustrations, careful typography, picture-charts and other devices are enlivening more and more annual reports, to the advantage of the business. At least one company has taken a further step, producing a sound movie that visualizes the business's history during the year. This article tells about the picture.

AN INNOVATION in making corporation and fiscal statements and reports more easily understandable by groups it is desired to reach has been introduced by the United States Steel Corporation in its new sound motion picture, "Behind the Annual Report."

Financial circles have tried in many ways to reduce reports or statements covering fiscal operations to the simplest possible terms, particularly through the medium of the illustrated folder or booklet. Hundreds of such visualized reports have been issued in recent years. But the motion picture goes even further, bringing facts and figures to life and animation.

The objective of this motion picture, which has a running time of 18 minutes, is to make clear and significant the



By way of introduction

data in the corporation's annual report to the stockholders, the 11,000 foremen, 300,000 employees, and also to classes in finance, economics, and other banking and fiscal groups interested.

While the primary purpose of the professionally-produced film is to clarify facts and figures ordinarily printed in the report, it has a background and archive value.

Briefly, it is divided into these sequences:

The annual report for the fiscal year; U. S. Steel and the war; the corporation's products and their uses; recent financial history; what lies ahead.

Every banker knows that even those entirely capable of analyzing an ordinary printed annual report shun the job, if they can, as a tiresome bit of mental acrobatics, while those with no experience or facility with the significance of figures seldom get anywhere at all. Hence it was felt that the motion picture would not only clarify data, relieving audiences of much mental effort, but would also make the facts more dramatic and more interesting.

All this proved to be correct thinking. Showings of the film have roused much interest and enthusiasm.

It has been found possible in this picture to remedy the illusion that such a large enterprise is "owned by only a few men." The picture has been subtly designed to scotch this idea. Of course, the facts and figures and their significance as they appear in the printed version of the report are followed very closely in the picture.

Incidentally, pictures of this type and for this purpose will call for special promotion and showing arrangements in line with the setup of the company, bank, or corporation sponsoring the program. As a rule, such films are road-showed to key cities, plants and branches where showings are made to groups, with speakers.

LYNE S. METCALFE

Where the steel dollar goes





**"THIS CAN'T BE RIGHT!
They're going to
give us more for
our money"**

...But it IS right. Hartford agents
and brokers are telling thousands
of families about a new Fire In-
surance policy that gives more
protection at no increase in cost!

Pleasant surprise! It's a renewal of
his Hartford Fire Insurance. And a
letter from the Hartford agent ex-
plaining how his new policy has
been broadened in several ways
—how its been made into a bigger
package of protection. For ex-
amples, see next column.



**Come on in. I'll
pay the hotel bill**

If the family had to move to a hotel as a result of fire
at home, their Hartford home fire policy would help pay
the hotel bills! Under the broadened coverage, they
could elect to have up to 1/12th of 10% of the amount
of insurance on the dwelling apply each month to rental
expenses, so long as the home remains untenable.



**Fancy meeting
you here!**

Scene: the family summer cottage at vacation time. The
family has brought along household goods, clothing
and luggage from home. They may elect to have 10%
of their household goods insurance back home apply
on the furniture and personal effects they've brought
along. That much of their property is covered against
the same risks—both at home and away from home.

**Mind if I
tag along?**



Junior's going to the corner grocery. Maybe he'll leave
his bike at the curb in front of the store. Maybe a truck
will run over it! The family needn't worry, because now
their household furniture fire insurance policy with an
Extended Coverage Endorsement will cover the loss.
With this feature they have protection against damage
by motor vehicles, windstorm, explosion,* smoke, air-
craft, hail, riot and civil commotion . . . in addition to
fire and lightning.

*Except steam boilers

Bigger in lots of ways

and one of the most liberal new pro-
visions is that you may "elect" any of
the special 10% coverages after the
loss occurs. Just shift them around to
your best advantage. This broadened
form may be used to cover household
furniture and personal effects in most
private homes except multiple apart-
ment houses.

Hartford agents in most states issue
these new policies. It is expected they
will be available in all states shortly.

Show this ad to your Hartford agent or broker—he'll
tell you whether you are eligible.



Hartford Insurance

Hartford Fire Insurance Company • Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company

Writing practically all forms of insurance except personal life insurance • Hartford 15, Conn.



THE NATIONAL CITY BANK

OF CLEVELAND



Statement of Condition

SEPTEMBER 29, 1945

ASSETS

Cash and Due from Banks	\$ 98,662,495.30
United States Government Obligations	258,483,827.51
Other Securities	9,876,857.64
Loans and Discounts	81,470,161.93
Investment in Banking Premises	1,550,000.00
Customers' Liability on Acceptances and Letters of Credit.	1,491,770.37
Accrued Interest	1,021,499.63
Other Assets	354,357.82
	<u>\$452,910,970.20</u>

LIABILITIES

Capital Stock (562,500 shares)	\$ 9,000,000.00
Surplus	11,000,000.00
Undivided Profits	<u>1,800,469.58</u>
Reserves	3,043,657.81
Dividend on Capital Stock Payable November 1, 1945	196,875.00
Acceptances and Letters of Credit	1,491,770.37
Accrued Interest and Expenses	1,051,164.64
Deferred Credits and Other Liabilities	370,382.17
Corporation, Individual and Bank Deposits	\$293,443,686.74
Savings Deposits	47,205,504.83
Trust and Public Deposits	21,561,050.21
U. S. Government War Loan Account	<u>62,746,408.85</u>
	<u>424,956,650.63</u>
	<u>\$452,910,970.20</u>
Contingent Liability on unused loan commitments	\$ 33,805,280.67

NOTE: United States Government obligations carried at \$87,589,252.07 are pledged to secure trust and public deposits, U. S. Government War Loan account, and for other purposes as required or permitted by law.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Planned Spending and Saving

BANK participation is again requested in the Planned Spending and Saving campaign prepared by the War Advertising Council in cooperation with the Government. Bank-sponsored advertisements on saving can do much to clinch victory in the fight for economic stability, in the view of the Office of Economic Stabilization and the Treasury Department, which are sponsoring the program, not as a "drive" but as a continuing effort to support war financing and economic stabilization.

A new series of post-VJ ads has been designed for bank sponsorship in newspapers during and after the Victory Loan drive. The educational advertisements inform people about the Government's anti-inflation program, urging that War Bonds be held to maturity and that extra cash be saved until goods are plentiful. Mats of the ads are furnished without charge.

Letters from Secretary of the Treasury Fred M. Vinson, former Stabilization Director William H. Davis, and W. Randolph Burgess, former president of the American Bankers Association, were addressed to bankers in September

to urge their participation in the current campaign. The letters stressed the urgent need to keep the public alert to the importance of holding the line against rising prices.

"We must combat a natural let-down—a tendency to believe that the danger of inflation is over," said Mr. Davis. "Bankers can play a key part in this important information effort. You can exert an influence in your community against the temptation for business to bid competitively for inventories. You can advise the consumer against irresponsible spending while goods still are scarce."

BANKS cooperated generously in the last call for sponsorship of the educational advertising campaign on Planned Spending and Saving. Orders came from large cities and small towns in every state. In many communities groups of banks—clearing houses and associations—jointly sponsored large advertisements with as many as 25 signing institutions. It is estimated that in all about 2,000 banks participated. Many banks also sponsored car cards and outdoor adver-

tising on the theme of the campaign. Others utilized the copy and illustrations offered for direct mail leaflets and blotters.

The American Bankers Association, which has assisted the program from the start, is again lending its facilities and banks are being reached through the Association's mailing list. The program has also been officially assisted by the American Newspaper Publishers Association, the American Press Association and the Western Newspaper Union.

A pessimist is an optimist who overstayed the stock market.

A diplomat leads a terrible life. When he isn't straddling an issue, he is dodging one.

With millions of new cars coming it's a good idea to recall that old railroad crossing sign which said, "Better stop a minute than forever."

You can't say much for the average father's skin, but he certainly has a pocket-book they love to touch.

STOP DAYLIGHT HOLDUPS WITH FEDERAL TEAR GAS

After World War 1, daylight holdups of banks increased steadily until 1932 when these crimes of violence reached an appalling figure. Not only were tremendous losses in money and securities involved, but many bank officers, employees and customers were killed, wounded or seriously injured.

Accepted authorities predict a "wave of violent crimes

against banks,' following World War 2. Recent successful bank holdups indicate the warnings issued were justified. Federal Tear Gas Protection Systems stopped daylight holdup attacks in thirty-four cases. The Federal Tear Gas Protection System protects, not only money, but lives of customers as well as bank officials and employees. Evidence on this serious subject will be mailed upon request.



BEFORE DISCHARGE OF FEDERAL TEAR GAS



AFTER DISCHARGE — COMPLETE COVERAGE

Write for Descriptive Literature on How Federal Tear Gas Can Protect Your Bank Against Daylight Holdups — No Obligation.



FEDERAL LABORATORIES, Inc.

185 41st Street

PITTSBURGH, PA.

(Address All Mail to P. O. Box 268, Zone 30)



Is Your Bank Prepared For Foreign Trade?

FOREIGN trade will constitute an important postwar opportunity for alert banks. Your customers will need banking facilities in foreign countries and data regarding conditions abroad, exchange regulations and credit information.

It is not necessary for you to maintain connections with foreign countries to offer this service. Our Foreign Department will act as your own, supplying you with the facilities and information you require. Moreover, the name of only one bank—your own—will appear on the forms we supply.

This service will save you valuable time in establishing commercial credits, forwarding collections, making payments. The cost is small. Why not consult us now? We are ready to serve you.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

LA SALLE STREET AT WASHINGTON

Member Federal Deposit



Insurance Corporation

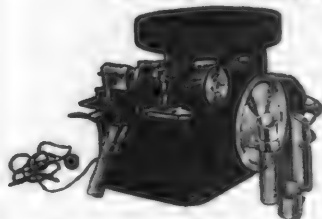
OUR BUSINESS IS TO HELP BUSINESS

COIN COUNTING MACHINES

No Priorities
or
Approvals
Necessary



Please send catalogue on Machines ☐
Bank Supplies ☐



MODEL No. 4ET—(Electric)

A large motor driven Machine with an unusual reputation for speed and durability. Will handle all coins. Automatically locks after each count of 20, 25, 30, 40 or 50 coins or will count indefinitely into a bag. Register can be reset to zero.



MODEL No. 2X—(Hand operated)

Adjustable for pennies, nickels, dimes, quarters or halves. Can be set to lock automatically when 20, 25, 30, 40 or 50 coins have been counted or will count indefinitely into a bag. An operator can count and package 400 coins a minute or count 2000 coins into a bag. Register can be reset to zero.

ABBOTT COIN COUNTER COMPANY 143rd St. and WALES AVE. NEW YORK 34, NEW YORK

The Bank That Kudzu Built

(CONTINUED FROM PAGE 63)

the District Agricultural School at Lineville. His bank contributed \$500. He was a close observer of the soil building practices held there. Later, when a Civilian Conservation Corps camp was located in the county, he was one of the first farmers to request soil erosion control assistance. He was also one of the first to apply for a district agreement when the Piedmont Soil Conservation District was established.

Even more important is the vocal support he has given the Piedmont district program. He constantly advises his borrowers to take advantage of the Piedmont Soil Conservation District program, and goes so far as to visit the farms of cooperating farmers. He never lacks the time for attending farm meetings, county council meetings, tours and special meetings connected with agricultural development in Clay County.

IN July of this year, he and H. L. Wynn, of the First National Bank of Ashland, sponsored a banker-farmer meeting. Awards were given six farmers doing outstanding conservation work on their land.

The Farmers and Merchants Bank made loans in 1940 to 24 4-H Club boys wanting seed and fertilizer for planting a quarter acre of kudzu. After the kudzu is established, the bank will make loans for buying registered calves to make use of the kudzu as a forage crop.

"We have a number of farmers trying to make a living on land not worth more than \$10 an acre," he observed. "We're trying to show them they can increase the value of their land to \$50 and \$60 an acre by terracing and increasing the fertility of their land. The day isn't too far distant when the great majority of our farmers will be making proper use of their land."

And when that day arrives, W. E. Carpenter, Lineville banker, will get a great deal of the credit for the transformation of a worn out land.

~~~~~  
*The difference between a man and a woman buying a hat is about four hours.*

*At these international conferences some persons think that when things look rosy for the Reds they look blue for the rest of us.*

*Some preacher in California recently said the world was coming to an end. Well, that hope may have buoyed him up.*

# Thermopane

REGISTERED U.S. PATENT OFFICE

The acceptance of *Thermopane*—Libbey·Owens·Ford's transparent insulating unit—has been tremendous! It is timely to emphasize the following:

- 1 *Thermopane* is a registered trade mark of the Libbey·Owens·Ford Glass Company;
- 2 Only Libbey·Owens·Ford makes *Thermopane*;
- 3 Only Libbey·Owens·Ford can call a transparent insulating unit *Thermopane*;
- 4 Only *Thermopane* has the Bondermetic Seal which bonds the panes of glass into one unit to prevent dirt and moisture from entering the dry air space;
- 5 The name "*Thermopane*" can and should be used when referring to the L·O·F product;
- 6 The word "*Thermopane*" should never be used when referring to any other brand of multiple-glazing construction.

We make these statements because the function of a trade mark is to unequivocally identify the manufacturer of a product... and to eliminate the possibility of confusion in the mind of the public concerning the producer of a specified product... and to assure that the customer gets what he orders.

We are sure that architects, contractors and others who are familiar with the superiority and advantages of *Thermopane* will welcome these statements... will refrain from using our trade mark in referring to any construction or product not made by the Libbey·Owens·Ford Glass Company.

We believe that our readers will understand L·O·F's pride in *Thermopane* and our sincere desire to have *Thermopane* continue to enjoy its individuality.

© 1945

*Thermopane* is also available in Canada.



Cut-away view of *Thermopane*—the windowpane that insulates.



**LIBBEY·OWENS·FORD**  
*a Great Name in* **GLASS**

**LIBBEY·OWENS·FORD GLASS COMPANY...TOLEDO 3, OHIO**

# How One Bank Helps Veterans

THE story of one bank president's interest in counseling and helping returning veterans was reported by Paul W. Albright, secretary of the Savings Banks Association of New York State, in that organization's *News Bulletin*.

A. W. Hooke, president of the Oneida County Savings Bank, Rome, New York, has taken a leading role in his community in aiding veterans. He hopes other bankers will not miss the opportunity of rendering a real service to the boys as they come home.

In his capacity as chairman of the servicemen's committee of the local Rotary Club, Mr. Hooke met many servicemen home on leave or furlough, and invited them as his guests to the weekly meetings of the club. He began to think about what might be done by bankers for returning veterans, to repay in part what they had done for all of us.

His interest was further stimulated, Mr. Albright reports, when he heard of the bad luck experienced by one of the first veterans mustered out of service in Rome. Although he had a splendid war

record, this veteran and his wife were forced to live in a poorly furnished room and in his old job he felt he wasn't getting fair treatment. Mr. Hooke heard of the case and asked the veteran to call at the bank for a talk. The bank president explained the benefits veterans were entitled to, and promised to help.

The upshot was that a small home was located, a guaranteed loan completed, one floor of the house was rented, a garden started, and the veteran returned to his church, which he had left in his bitterness.

The appreciative ex-soldier told the bank president that he hoped he would find time to help other perplexed veterans. Mr. Hooke decided to do just that. Here are his own comments on his bank's program:

"If possible, a returned veteran in the employed personnel of the bank may be of great assistance in talking over preliminary matters with the veteran, but I have found that the boys seem to appreciate having a personal interview with a senior officer.

"The real value of the counsel and advice of the bank officer comes into play in his ability carefully to analyze each case history and frankly advise the veteran accordingly.

"In order that a file might be kept showing the factual results of these personal interviews with the veterans, a special card was printed which gives considerable data concerning the history of each case.

"Here are some of the tangible results obtained from the first 25 interviews:

"Two home loans have been granted—one of \$4,000 and one of \$5,000. Three more loans for purchasing homes are being processed; four veterans have been referred to commercial banks for counsel and advice relative to business loans, one other case finally was referred to the Government for study in an effort to obtain a loan to operate a small manufacturing business. Jobs in lines of business other than that in which they were previously engaged were found for two veterans, six were advised to go back to their old jobs and several who were receiving pensions due to disabilities were believed not yet ready to assume the responsibilities of either a job or the purchase of a home.

"The expressions of appreciation from the boys themselves have more than repaid our bank for the time and effort expended on this morale building public relationship between this bank and our veterans."



To offer a better, broader, faster service to banks, business firms and individuals who do an import-export business with Mexico, we have opened an office in Nogales, Arizona—one of the most important points of entry on the United States-Mexico border.

Our new Nogales office—the 21st in our statewide system—is the result of our having acquired the First National Bank of Nogales, a well-known, long established, highly regarded institution.

If we can serve you, or your customers, in any way with your transactions in Mexico, you are most cordially invited to use our facilities.

**VALLEY NATIONAL BANK**



MEMBER  
F.D.I.C.

★ LA ★ IN FRIENDLY CONVENIENT OFFICES IN ARIZONA ★



AMERICA PROGRESSES  
THROUGH CONSTRUCTION

**FACTORIES  
NOW!**



## New construction insures production and employment

The speedy production of more goods for more customers which creates more employment, requires construction of new factories and modernization of old ones.

Surveys show that manufacturers are preparing to invest nearly five billion dollars in plants, equipment and alterations in 1946. It has also been estimated that under a favorable and prosperous business era, over one hundred and twenty-five billion dollars will

be invested in industrial construction in the next ten to fifteen years.

Efficient and economical construction, planned by competent architects and engineers and executed by qualified general contractors is essential to American Progress. Contractors identified by the emblem of the Associated General Contractors of America, Inc. can be depended upon because of the business principles for which this emblem stands.



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*Ninety Branches and Chapters Throughout America*  
National Headquarters — Munsey Building, Washington 4, D. C.

SKILL, INTEGRITY AND RESPONSIBILITY IN CONSTRUCTION OF BUILDINGS, HIGHWAYS, RAILROADS, AIRPORTS AND PUBLIC WORKS



This Advertisement is No. 3 of this series

# British Bank Deposits

THE most marked feature in British banking during the war was the continuous growth in deposits, a growth that incidentally still continues. The figures on June 30, 1945 for the combined clearing banks in Britain show deposits of \$19 billion compared with \$8,980 million for August 1939, an increase of over 100 per cent.

This huge growth in deposits is the direct outcome of official action and the

deficit financing of war production. For some time past the main function of the banking system has been to lend back to the Government officially created credit, of which the banks have been the unavoidable recipients.

This is made quite apparent when one examines the manner in which the banks have disposed of their increased deposits. Actually the whole of the increase, together with the reduction in loans and

advances, has been placed into government paper either in the form of Treasury bills, Treasury deposit receipts or simple investments. The T. D. R.'s at \$7,754 million and investments of \$4,510 are together equal to almost 65 per cent of the total deposits, the total holding of "governments" being about 68 per cent compared with 35 per cent in 1938, and 22 per cent in 1918. On the other hand, the most remunerative of all bank assets—loans and advances, now represent but 16 per cent of deposits, as compared with 42 per cent in 1938 and over 50 per cent prior to the last war.

This huge excess holding of government paper in actual fact represents the measure of the general public's unwillingness to take up government bonds. Though the public responded right royally to the call for war savings, it is quite apparent that many individuals and corporations preferred to keep considerable sums on deposit in their banks—that is, they have desired a fairly high liquidity for their resources. That proportion of the public's resources which has been kept on deposit in a sense represents forced saving and has largely arisen from the fact that spending outlets have been few in number by reason of the various controls.

Since the war in Europe ended there has been a slackening in the savings campaign, and this slackening is reflected in the current six months increase in deposits. Since December of last year deposits have risen by \$2,600 million compared with \$800 million in the first six months of 1944.

THOUGH monetary resources are thus accumulating, the supply of things on which cash can be spent has hardly begun to improve. It has been realized that the real danger of inflation would arise at the end of the war as after 1918, and the present growth of liquid funds is a potential source of inflation. Happily the controls over both price and supply are still being held, but the greater the growth of funds the greater the danger of the controlling dams being burst by a flood of spending. A new savings drive is scheduled, and if it is properly handled then a considerable volume of the increased deposits of the last six months will be mopped up.

The question naturally arises whether the large wartime increase in deposits has come to stay or whether there will

(CONTINUED ON PAGE 125)

## Look Ahead With First National

1895



1945

### —QUARTERLY STATEMENT OF CONDITION—

September 30, 1945

#### RESOURCES

|                                   |                 |                         |
|-----------------------------------|-----------------|-------------------------|
| Cash and Due from Banks.....      | \$38,420,181.97 |                         |
| U. S. Government Securities.....  | 79,250,382.89   | \$117,670,564.86        |
| Other Bonds and Securities.....   |                 | 5,445,440.12            |
| Loans and Discounts.....          |                 | 16,687,491.78           |
| Federal Reserve Bank Stock.....   |                 | 150,000.00              |
| Income Earned, Not Collected..... |                 | 345,074.24              |
| Bank Premises.....                |                 | 828,624.60              |
| Furniture and Fixtures.....       |                 | 1.00                    |
|                                   |                 | <u>\$141,127,196.60</u> |

#### LIABILITIES

|                                                    |                 |                         |
|----------------------------------------------------|-----------------|-------------------------|
| Deposits: Individuals, Firms and Corporations..... | \$93,073,603.37 |                         |
| Banks.....                                         | 25,107,013.80   |                         |
| Public Funds.....                                  | 15,449,665.42   | \$133,630,282.59        |
| Income Collected, Not Earned.....                  |                 | 50,890.88               |
| Taxes, Interest and Expense—Accrued.....           |                 | 558,790.32              |
| Dividend Declared (Payable December 15, 1945)..... |                 | 40,000.00               |
| Capital.....                                       | \$ 2,000,000.00 |                         |
| Surplus.....                                       | 3,000,000.00    |                         |
| Undivided Profits and Reserves.....                | 1,847,232.81    | 6,847,232.81            |
|                                                    |                 | <u>\$141,127,196.60</u> |

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MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

# R

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It is possible for you to offer this service to your patrons simply by coordinating your sales efforts with the American Express long established foreign payment facilities.

This relieves the bank of maintaining foreign balances, reconciling statements and other details incidental to foreign exchange.

Sales are made by the bank in its own name—its identity is retained. The Company looks after the payments.

All necessary forms are furnished.

All necessary information is provided.

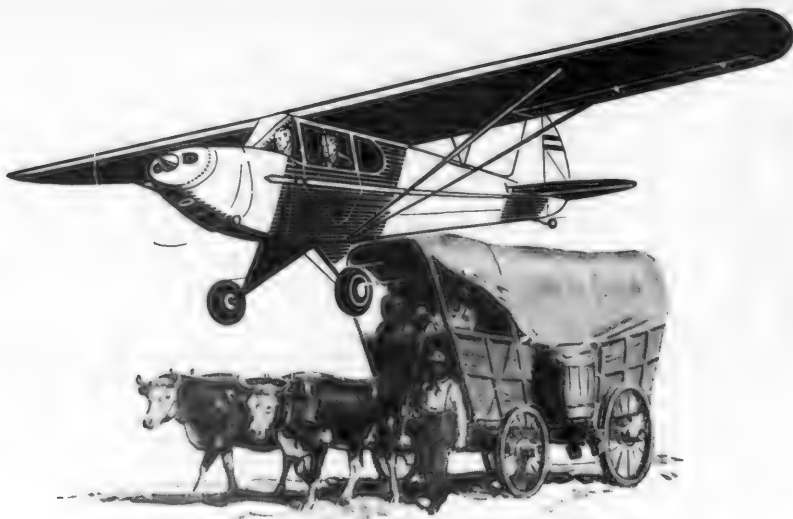
For more than fifty years this American Express Service to many banks has continued uninterrupted.

As the field broadens in this crucial time, it is, once more, placed before you for your convenience and use.

### AMERICAN EXPRESS

### *Foreign Remittance Department*

65 BROADWAY • NEW YORK 6, N. Y.



## PIONEERS

IT IS the pioneer's temptation to reminisce, recalling the lusty days when he had a hand in shaping the destiny of things to come. Being no exception to the rule, Continental has moments, too, when it would like the world to know of its role in the development of early automotive transportation, and later of the part it played in fostering the acceptance of light aircraft. The reputation of Red Seal Engines reaches far, far back into those pioneering days.

But to harp on those achievements would be to ignore the momentous present. For it is now — today — that Continental is living its most exciting times. And each of these busy todays is a threshold to a more intriguing tomorrow.

More Red Seal Engines, of more types, and in greater range of horsepower, are being produced today than ever before. That is, of course, only

another way of saying that more people are putting Continental Power to use than in any previous period — and the uses are more numerous and diversified than ever before. The drawing boards and the test houses are at their all-time peak, developing additional engines to add to the prestige of the Red Seal name.

Continental, you see, never has stopped being a pioneer. That's why people come to Continental with their power problems. But today's pioneering differs from that at the turn of the century, in that side by side with it is a matured production operation that can and does meet the world's need for low-cost power.

*C. J. Reese*  
C. J. REESE, President

**POWER BY**  
**Red Seal**  
**Engines**  
**CONTINENTAL**

**Continental Motors**  
**Corporation**

MUSKEGON, MICHIGAN



# British Bank Deposits

(CONTINUED FROM PAGE 122)

...a fall in the volume with the return to a full peacetime economy. If past trends are any guide to future developments a fall of any consequence in the level of deposits is unlikely. During the period 1913-21, which included the inflationary boom, deposits in Britain rose by some 145 per cent. During the next four years, which covered the drastic deflationary period, the fall in deposits was a mere 9 per cent. In the years that followed, deposits on the whole continued to increase, and December 1938 found them some 15 per cent higher than the peak figure of 1921.

It appears therefore that during wartime when the national income increases, bank deposits are created by official action, but when national income falls with the return of a peace economy the created deposits are not destroyed.

There appear to be only two practical methods by which wartime deposits can be liquidated. One is by the banks disposing of their investments direct to the general public. By this process the bank's investment portfolio is reduced and a corresponding fall takes place in the level of deposits. The second method is by a government issue of securities direct to the public, the proceeds of which are to be used in the redemption of short term debt at present held by the banks. In brief a funding operation designed to redeem T. D. R.'s. A further method which is hardly practical policy is by utilizing budget surpluses to pay off short term debt. Budget surpluses are, however, most unlikely for some time yet to come.

We therefore find ourselves forced to the conclusion that the future saving habits of the public will have a marked effect on the aggregate of bank deposits. To refrain from spending, whether voluntarily or compulsorily through control action, is not in itself enough; what is required is an increase in the public demand for securities.

Whether there will be a continuance of the demand for securities is somewhat doubtful. Many individuals and business houses have purchased securities with the intention of cashing them to provide funds for use in the post-war period, and it is asking a lot of people to forego their legitimate desires and to continue purchasing still more securities. As a matter of practical economics it is not often realized that the wartime savings are of no real use for the immediate purpose of reconstruction.

All the liquid resources of the community, whether held in the form of bank deposits, government securities, tax certificates or saving certificates, are in actual fact claims on future resources. Capital equipment, the real physical equipment, can only be obtained by means of future savings, and to encash past savings and utilize the proceeds to support a demand for consumption goods will only aggravate the existing shortage of physical capital.

In the early post-war period it will be necessary to restrict current consumption so that capital equipment can be

renewed and augmented. This fundamental fact will have to be brought home to the people of Britain who will have to realize that the shortages are occasioned not through lack of financial capital, but through the dearth of materials and labor. An intensive savings campaign and the continuance of physical controls are vital if inflationary tendencies are to be kept in check. In any event no appreciable reduction in bank deposits can be envisaged, and the failure to maintain adequate control can easily bring about a further increase.

F. BRADSHAW MAKIN



The wise farmer of today isn't standing idly by waiting for what the future may bring . . . He knows that prosperity for himself and his family will come only with sound, careful planning and good management of his farm.

His plan of good management includes the use of modern power machinery, such as Minneapolis-Moline Tractors and farm machines, to help him keep his soil in good condition and harvest bigger crops at less cost on time. MM machines enable him to increase the capacity of his land with new, improved methods and to produce new crops with greater profits.

Local bankers, cooperating with the MM Machinery Dealer in their community, can do much to make new, modern machinery available to the farmers in their area, thereby benefiting the community as a whole.

**MINNEAPOLIS-MOLINE  
POWER IMPLEMENT COMPANY**

# Country Bank Achievement Record

(CONTINUED FROM PAGE 62)



**My work  
goes faster - with  
MARCHANT!**



"I like Marchant because it's the easiest and simplest. To multiply, I merely set the amounts, read the answer... and clear. My Marchant multiplies while I'm entering the multiplier-factor... not afterwards. What a time saver!"

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Marchant Calculating Machine Company  
Home Office: Oakland 8, California, U. S. A.  
SALES AGENCIES AND MANUFACTURERS' SERVICE STATIONS GIVE SERVICE EVERYWHERE

cash and government securities as they had deposits. In the future, if deposits decline in any area as they did in the years following 1929, the country banks should be able to meet the decline easily without curtailing their lending services.

One of the most important recent developments in the field of agricultural credit has been the support given farmers in soil conservation projects. This movement, which is rapidly being organized in all of the states has for its purpose to stimulate a greater interest in the conservation of agricultural resources and to encourage farmers who have established a complete soil and water conservation plan on their farms. To accomplish this, the bankers in the various states have sought the cooperation and advice of their state colleges of agriculture and extension services.

Another long term development of immense value has been in practical educational projects to encourage and help not only adult members of farm families, but the youth of agricultural areas. During 1944-45 this type of public service received increased emphasis which is reflected in the variety of prizes and achievement awards provided by state and local bankers organizations, as well as by individual banks. The principal contact with youth was through 4-H Clubs and Future Farmers of America organizations.

At the executive meeting of the Agricultural Commission in Omaha, South Dakota will be especially honored through the presentation of the special 10-year 1,000 point award. Other states which have already received this distinction include Georgia, North Dakota, Oregon, and Washington. Four new states are included in the 1,000 point

"They used to complain, but now they're civilians they brag about the tough sergeants they had!"



grouping, and these are New Jersey, West Virginia, North Carolina, and Missouri. Other states which will receive the award include New York, Vermont, Maryland, Pennsylvania, Virginia, South Carolina, Indiana, Kentucky, Ohio, Tennessee, Alabama, Louisiana, Mississippi, Arkansas, Illinois, Michigan, Minnesota, Wisconsin, Iowa, Nebraska, Colorado, Kansas, New Mexico, Oklahoma, Texas, Arizona, California, Nevada, Utah, Idaho, and Montana.

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*Washington, D. C.*

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33 years old, desires position with bank as manager of Consumer Credit Dept. Ten years' various experience in Personal Loans, Automobile, Appliance, and F.H.A. Title 1 financing. Able to set up Dept. and promote. College, good personality. Box A-11.

REPRODUCED BELOW IS A SCENE FROM THE SPECTACLE, "FIGHTING THE FLAMES", PRODUCED ABOUT 1900 AT DREAMLAND, CONEY ISLAND.



# "Fighting the Flames"

*An American Tragedy*  *In One Careless Act*

## CAST OF CHARACTERS:

**FIRE CHIEF**

**COMMENTATOR**

**CARELESSNESS**

**FIRE CHIEF:** We are losing ground—fire is gaining! Every year, it seems, there are more fires and worse fires—more lives lost and greater property damage. Something has to be done!

**COMMENTATOR:** You're right—fire is gaining. In the year ending June 30, 1945, \$442,877,000 fire damage was reported. That's 10% over the preceding year and 33% increase over the losses two years ago.

**FIRE CHIEF:** Carelessness is at the root of this—that's the menace we must face.

**CARELESSNESS:** Yes, and *what* a menace! The flick of a lighted cigarette, a pile of oily waste—and there I am starting another fire. I'm everywhere and wherever I am, I work. That's why I, Carelessness, am the chief cause of fires!

**COMMENTATOR:** True, true — Carelessness is far and away the biggest known cause of fires. Figures show that this menace alone accounts for almost all serious fires.

**FIRE CHIEF:** But Carelessness can be fought and licked!

**COMMENTATOR:** Yes, but only through constant effort. For when people are reminded to be careful, fires fall off. That's our job!

(Curtain)



*Epilogue:*

**THE HOME INSURANCE COMPANY:**

The best time to fight a fire is before it starts — join the campaign against Carelessness!

(Asbestos)

★ **THE HOME** ★  
*Insurance Company*

**NEW YORK**

**FIRE • AUTOMOBILE • MARINE**

## A Better Homes Clinic

(CONTINUED FROM PAGE 76)

*Meeting No. 9—Kitchen and laundry planning:*

*Subjects*—Types of kitchens; services available; materials; equipment.

*Meeting No. 10—Windows:*

*Subjects*—Can make or ruin appearance of home; Types—advantages and comparative costs.

*Meeting No. 11—Interior decorating and finishing (lecture).*

*Meeting No. 12—Painting and landscaping (lecture).*

*Meeting No. 13—Dri-buils—prefabricated homes and radiant heating.*

*Meeting No. 14—Remodeling problems.*

ALL details are worked out before each meeting, and experts in the various fields—usually out-of-town manufacturers representatives—are invited to address the group, which averages between 150 and 200 families.

Reporting on the success of this project, A. T. Spitzer II, cashier, says: "This project is considered a community service and will, we believe, result in better homes and a more stable community, as well as open up new mortgage lending opportunities. The meetings are designed to educate the prospective builder by marshaling all the information on construction, products, supplies for him, discussing advantages and comparative costs."

~~~~~

It never pays for a pedestrian to insist on his legal rights in front of a moving truck.

The main reason for teaching a child algebra is so he won't look like a dumbbell years later when his child comes to him with his algebra problems.

We will say for flying that at least there are no grade-crossings or intersections.

A good politician is a fellow who has prejudices enough to suit the needs of all his constituents.

It may be a paradox but self-government doesn't run without the people taking a hand in it.

One thing the aviation industry needs is a law requiring taillights on mountains.

It is never as easy to love your neighbor as your pelf.

UP TO 900 CHECKS PER MINUTE! and Available NOW

The New AMERICAN Heavy Duty Electric Perforator

STREAMLINE your check handling with this modern machine. The new, postwar AMERICAN Electric Check Canceling Perforators are now available in all sizes and models. New engineering and designing make them time, labor and space saving. Built-in quality makes them quiet, vibrationless, sturdy for long service. If you want uninterrupted efficiency with maximum production, do your check canceling the AMERICAN way. Sales and service in all principal cities. Write for full particulars, without obligation.



Model
71

THE AMERICAN PERFORATOR COMPANY

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Once again, "Bronze Tablet Headquarters" can supply Honor Roll Plaques, Bank Signs and Desk Signs of gleaming, everlasting solid Bronzel. Write today for illustrated Catalog BP showing many styles available; Pre-View sketch sent FREE—send approximate dimensions.



MR. BARRETT

UNITED STATES BRONZE
SIGN CO. INC.

570 Broadway

New York 12, N. Y.

80th ANNIVERSARY



FIRST ATLANTIC CABLE

● The memories of eight decades are strong as Millers National Insurance Company marks its eightieth anniversary in 1945. Among them is remembrance of Cyrus Field's perseverance in completing the first successful transatlantic cable in 1866... when Millers National already was one year old.

Illinois Fire was founded in 1876. Next time specify one of these established, time-tested fire companies.

MILLERS NATIONAL
Insurance Company

ILLINOIS FIRE
Insurance Company

HOME OFFICE: CHICAGO



A \$9,000,000,000-a-year demand for houses will mean jobs in steel.



New Cars for old will mean more jobs.



New Rails for the railroads. More jobs in steel



Needed: 5,000,000 refrigerators. Result: Jobs making steel.

What's the Chance of a Postwar Job—in Steel?

HOW MANY jobs will there be in the steel mills for returning veterans and war workers? No one knows exactly. But this much is certain:

Plans have long been made to meet quickly after Victory the tremendous, pent-up demand for goods—and it will be out of production to meet this demand that jobs by the thousands will come.

Consider a few of the facts. The steel industry faces, right now, an accumulated demand for more than 600 articles of iron and steel that have not been manufactured for civilian use since 1942 — including an estimated 23,000,000 radios, 5,000,000 refrigerators, and 3,000,000 washing machines.

Postwar building is expected to run to 9 billion dollars a year. There will be an immediate need for at least 7,000,000 automobiles to replace those junked since the war began. The rebuilding of European countries will open a tremendous market for American steel.

Over and above this, will be the demand for steel in new products — planes, deep-freeze units, air-conditioning equipment, television receivers, and hundreds of other devices grown out of war discoveries.

And all this will result in countless jobs—for demand for goods makes jobs.

Now that Victory has been won, the steel industry and other industries will

put into operation their plans for the jobs and opportunities all of us want.

*A Report on the Prospects
for Postwar Employment
in the Industries Served by*

**Chesapeake & Ohio
Lines**
Cleveland

CHESAPEAKE AND OHIO RAILWAY
NICKEL PLATE ROAD
PERE MARQUETTE RAILWAY

THE HAMMERMILL COLUMN

This department spent a pleasant lunch hour the other day with Associate Editor Clayton Rawson of True Detective magazine. Mr. Rawson is a true connoisseur. He collects choice specimens of crime as some men go for rare coins or first editions.

Here's one of his exhibits: A well-appearing gentleman goes to the cashier's window of a large department store and says he wants to pay his bill. He presents a bill for \$30 which the store had recently sent to (let's say) John Jones.



He offers a check payable to John Jones for \$70. It is an imprinted check of the Acme Construction Company duly signed by the treasurer of the company. With a letter or two and an automobile license, he identifies himself as John Jones, endorses the check and departs with \$40 in change and the receipted bill.

On his way out of the store he selects \$200 worth of merchandise and charges it to John Jones. The sales person checks the credit department and finds that "Jones" is all right—he's just paid his bill. "Mr. Jones" disposes of his merchandise through his underworld connections, and disappears.



In preparation for his feat, this craftsman had rifled a few mail boxes and extracted a handful of department store bills, among them the one he used here.

From a shady printer he had acquired a supply of imprinted checks. He'd signed any name that struck his fancy as "treasurer." His phony letters and automobile license are standard equipment for any artist in his line of work. All very simple . . . because the store cashed a check for an unknown endorser.

"Know Your Endorser" is the theme of the campaign which the U. S. Secret Service has waged so energetically to stamp out this kind of racket.

In cooperation with the Secret Service, Hammermill has distributed more than a million copies of its little folder, "7 Cautions on Cashing Checks." Many banks find it an effective and tactful way to warn their customers to be constantly on their guard.

If you're not acquainted with "7 Cautions," send for a copy, look it over, then ask for a supply. No obligation. No salesman will call. Hammermill Paper Company, 1501 East Lake Road, Erie, Pennsylvania.

(FLASH! Just as the above column was going to press, this bad check passer was nabbed by postal inspectors in Rochester, N. Y., after a 6-year chase!)

News About Banks

Instruction Manual

"The ABC's of Teller Work"—a new instruction manual for internal bank use—was recently adapted by the DETROIT BANK. The co-authors, Walton B. Moore and Jack L. Talbot, of the bank staff, have assembled a bookful of workable, practical procedures and factual material having a maximum of usability.

The manual sets forth techniques and procedures in the training of new and upgraded employees for teller work. There is no attempt to give an all-embracing, detailed breakdown of the teller's job. Instead, the reader is led step by step through the major functions of the job: Cash handling and custody, identification, signature comparison, cashing checks, accepting savings deposits, and honoring withdrawals.

Chapters also deal with such subjects as cage arrangement and equipment, common errors, and omissions, customer relations, and basic rules. The manual will be used as text in the bank's extensive training program for its employees.

Believe It or Not

A tree grows in Booker, Texas, smack in the middle of the FIRST STATE BANK's lobby. The story goes back to 1925, when a local farmer, impressed by the delicious flavor of a California orange, decided to cultivate a few seeds in an old coffee can. A year later, the

farmer, amazed at the greenness of his shrub, hustled to the bank to deposit his precious fledgling tree in safe—and warm—keeping from North Texas' brisk Winter.

At the bank the tree was subsequently transplanted from the coffee can to a larger wooden candy bucket. In 1928, the tree having acquired all the aspects of a household pet, was transplanted in a hole bored through the concrete floor of the bank. Now the tree is kept trimmed back to the ceiling height of 14 feet, and on one side to allow for lobby traffic. It has bloomed frequently in the past 10 years, but the fruit dropped before maturity. In 1943 two oranges were harvested, and in 1944 a grand total of nine were picked, and we dare say, eaten. This all goes to prove that anything is possible in Texas.

Blue Cross

E. W. Rossiter, president of the BANK OF HARTINGTON, Nebraska, has made the bank a center for enrolment and dues collection for the Blue Cross, non-profit plan whereby hospital bills are prepaid on a group basis.

Those who enroll in the plan and pay their fees at the bank constitute a membership group. The service is provided not only to customers of the bank but to residents of Hartington and vicinity.

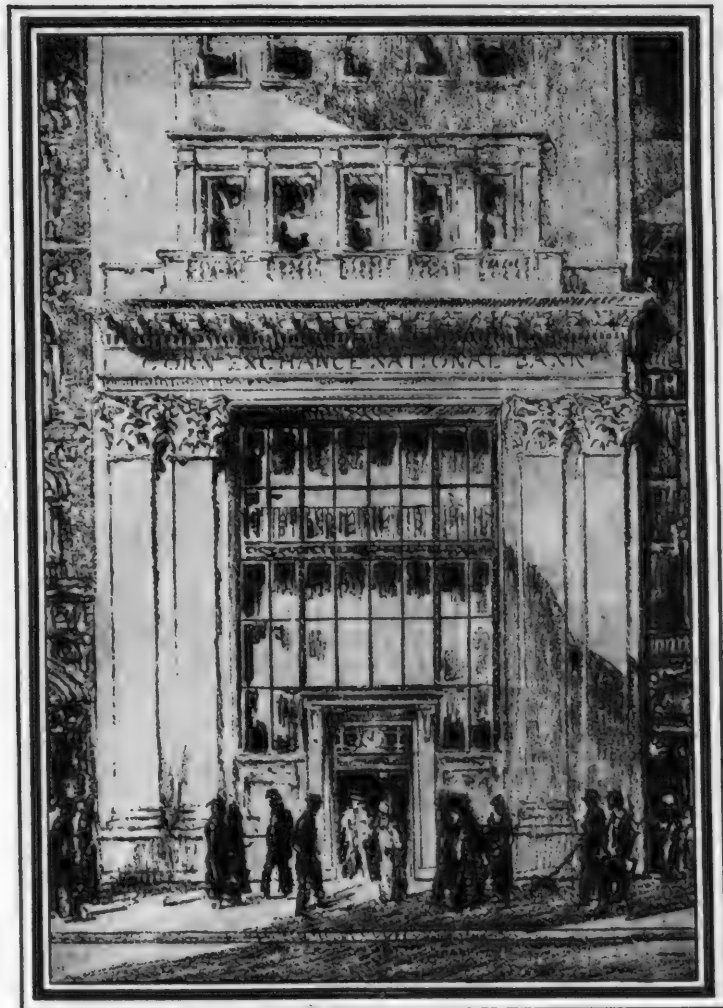
"The Blue Cross program," said Mr. Rossiter, "brought people into our bank who had never been patrons of our bank, or any bank." The work involved is negligible, he added.

Examining records of the Bank of Japan after it had been temporarily closed by order of General MacArthur





The ear-of-corn trademark of The Corn Exchange National Bank & Trust Company, Philadelphia, one of the best-known emblems in banking.



Another leading bank using Hammermill Safety

The trade mark of The Corn Exchange National Bank and Trust Company, Philadelphia, is known throughout the nation.

Checks of this great bank, which has eleven

branches in Philadelphia, are on Hammermill Safety, with the bank's famous trade mark as part of the surface design. The check shown below is on Chainline Hammermill Safety.



It's easy to write on
**HAMMERMILL
SAFETY**

MANUFACTURED BY HAMMERMILL PAPER COMPANY, ERIE, PA. FOUNDED 1898

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NEW 1945-46 issue will be ready in December, bringing up to date developments in the law and its operation. Get your order in now.

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THE help bank officers need on this year's corporation tax problems. Everything in one place for quick reference and easy application; changes in the law; developments in its administration; experience-founded counsel on what to watch for, what to do. Unique presentation, nowhere else paralleled or duplicated. New 1945-46 issue ready in December. Order your copy now. Two volumes, **\$15.00**

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YOUR READING

Corporate Finance

THE PATTERN OF CORPORATE FINANCIAL STRUCTURE. By *Walter A. Chudson*. Financial Research Program, National Bureau of Economic Research, 1945. 148 pp. \$2.

As a part of the Financial Research Program's investigation of changes in the financial structure of American business, 1900 to 1940, there was need for a comprehensive picture of the distinguishing financial features of incorporated manufacturing and trade enterprise, grouped by industry, size of corporation, and profitability, for one recent year.

The year 1937 was selected for analysis because it was a year of high business activity, and the most recent for which source figures were available in the *Statistics of Income* of the Bureau of Internal Revenue and the *Statistics of American Listed Corporations* of the Securities and Exchange Commission.

Dr. Chudson, using corporate balance-sheet data, outlines a cross-section pattern of variation with respect to industry, corporate size, and reported profitability for manufacturing, mining, trade, and construction. He studies the variation in such items as composition of assets and liabilities; inventory holdings, cash, and accounts receivable; turnover of current or working assets; balance-sheet ratios; and other factors.

Practical Democracy

PRACTICAL APPLICATIONS OF DEMOCRACY. By *George B. de Huszar*. Harper and Brothers, 1945. 140 pp. \$2.

MR. DE HUSZAR, a social scientist and member of the faculty of European and Asiatic Area Study, University of Chicago, goes to the heart of the problem of democracy by showing how to put democracy into action in everyday life, in the school, the business organization, and the community.

"Democracy is something you do; not something you talk about. It is more than a form of government, or an attitude or opinion. It is participation," says Mr. de Huszar. In the formation of problem-centered groups, set up to solve specific situations which are under our control, and which we can affect, the author finds the key to "do-democracy" as distinguished from "talk-democracy." The author describes the characteristics and functioning of such

groups, and how they develop democratic, cooperative persons, and help to produce democratic institutions and ways of life from the base of society up.

Banking Statistics

MONEY AND BANKING 1942-44. The League of Nations. International Documents Service, Columbia University Press, New York, 1945. 224 pp. \$3.

IN THE present edition of this compendium, 54 central bank and 45 commercial bank systems are covered in annual and quarterly tables, extending from 1937 to 1944. The statistics are accompanied by brief notes explaining the data given and summarizing recent changes in banking legislation.

The book is divided in two parts. Part I contains international summaries of currency composition and movements, central and commercial bank assets, recorded central gold reserves in millions of U. S. dollars, value of world gold production, cash ratios of commercial bank, indices of bank clearings, interest rates and value of currencies in U. S. cents; Part II consists of individual balance-sheets of central banks and combined balance-sheets and profit-and-loss accounts of commercial banks. The commercial bank statistics are presented on a uniform basis in accordance with a schedule elaborated by the League of Nations.

VETERAN LAW MANUAL. Commerce Clearing House, Chicago, 271 pp. \$2.

THIS guide to servicemen's rights and benefits is divided into three main divisions: (1) a complete guide to the entire field of veteran law, entitled "Rights and Benefits," with footnotes containing comment and pertinent excerpts from official rulings and instructions; (2) a reproduction of the full texts of the important Federal statutes, as amended to April 1945, applying to ex-servicemen; and (3) the complete texts of the guaranteed loan regulations.

ENGLAND'S DECADENT INTERNATIONAL ECONOMY. By *William F. Howarth*. C. C. Nelson Publishing Co., Appleton, Wis., 86 pp. \$2.

AN analysis of England's deteriorating international position and of the United States' risk in underwriting her financially.

BEATRICE ANN FREAR

BANKING

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Aluminum Windows!"*



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ALUMINUM WINDOWS



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While ALWINTITE Aluminum Windows add a touch of luxury to any home, they are not expensive. They are priced low enough to permit their use in moderate and low cost houses.

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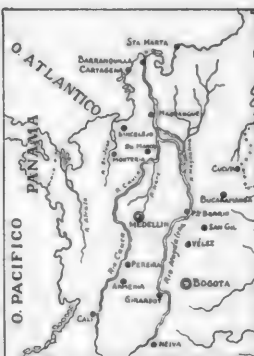
Reserves: \$5,646,000.—Pesos Colombian

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Gateway to South America and producer of the best coffee in the world.

Banking's Own Post-War Product

(Continued from page 40)

The regional credit groups, it was said, should make the smaller banks more confident in handling these loans. Banks feel they can do the credit job, and the public feels the banks are trying—an important psychological advantage to private lending.

Advertising and Publicity

The presentation of banking's story to the people, it was emphasized, is vital for public opinion will control the future of the American banking system. The banks' job in this country is to multiply their contacts with the public through adequate public relations media: advertising, news, radio, screen and personal calls.

The story of the credit group movement has been widely publicized through the daily and trade press. Newspapers and magazines in all parts of the country have told their readers what the banks were doing to make sure that no deserving borrower suffered from lack of financial assistance.

Pros and cons of group sponsorship of advertising, as against individual bank copy, were outlined. The point was made that the credit group is in an excellent position to do a job of cooperative advertising in local newspapers.

Suggested copy themes for advertising included "Champion Free Enterprise," "Help the Community" programs, "Tell the Credit Story," and "Sell Business Loans."

THIS report started with Bob Hanes' story, and it will end with another, told by Frank C. Rathje, president of the American Bankers Association.

Some weeks ago, Mr. Rathje said he was sitting in the office of a prominent midwestern banker. The telephone rang. The banker picked up the receiver and said, "Hello!" . . . "No" . . . "No" . . . "Yes, oh, yes" . . . "No" . . . "No" . . . "Goodbye."

Mr. Rathje said, "That was a fine conversation. What were those two pleasant 'yeses' about?"

The banker answered, "Oh, he asked me if I could hear."

Mr. Rathje offered the story as evidence of a popular notion which banking should steer away from, and he expressed his belief that the A.B.A. small business credit campaign was going a long way toward eliminating that sort of thinking.

INFORMED ACTION IS THE KEY TO SUCCESSFUL INVESTING



Bonds of Distinction

American municipal bonds have traditionally occupied a place of distinction in the financial markets. In respect to security, they have earned a position second only to the direct or contingent obligations of the United States Government. Their exemption from federal income taxes provides special advantages in this era of high federal taxation. Such bonds thus merit preferred consideration from investors seeking conservatism and tax exempt income. But as with all securities, municipal bonds require care in their selection to fit the individual investment portfolio.

Send for this Comprehensive Book on Municipals

An exhaustive 74-page study of the investment qualities of these bonds, covering factors important to prudent selection, is available to interested applicants without obligation. Send for this valuable guide to informed action—"The Investment Merits of American Municipal Bonds."

Use this request form—at no cost

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What a Banker Should Know about Laundries

THE magazine *Laundry Age* calls BANKING's attention to its recent article, "What Your Banker Should Know About Laundries," written by John Carruthers. Mr. Carruthers says, among other things, that:

A well-managed laundry should earn operating profits, before interest and Federal taxes, of not less than 4 and usually not more than 10 per cent of sales, with an average capital turnover of approximately two and one-half times per year. Earnings are consistent from year to year.

Because of the continuity of customer relations a large laundry company "almost never closes its doors as a result of financial difficulty." Hence "loans based upon laundry buildings are much safer than those based on factory or mercantile buildings." The principal protection the lender needs "are conditions in the loan which prevent the laundry company from removing their production plants from the buildings now occupied to plants which may be purchased or rented in other locations."

WORKING capital requirements for laundries are quite low. "Inventories," says Mr. Carruthers, "consist almost entirely of supplies used in connection with the laundry processes which, under normal conditions, do not need to be purchased very far in advance of consumption requirements. Two-thirds or more of the average laundry sales are for cash. Therefore accounts receivable balances are relatively small and are usually liquidated within 30 to 90 days, and bad debt losses for the entire industry represent a small fraction of 1 per cent of sales."

Current liabilities usually consist of accounts payable, and current accruals for payrolls and taxes. The total of these liabilities represent substantially less than one month's sales, and are paid in the ordinary course of business from the next month's sales.

"Any current ratio in excess of 1 to 1 permits prompt payment of all obligations, and a ratio in excess of 2 to 1 may be regarded as an unnecessary use of capital. At the present time the current ratio for the entire industry is probably somewhat in excess of 2 to 1, because of the fact that laundries have been unable to buy a substantial amount of equipment for more than two years and are holding unused additions to depreciation reserves in cash or War Bonds."

Your CUSTOMER'S INVENTORY CAN BE MADE BANKABLE



Spherical Pressure Tanks Safeguard Many Products During Processing

FIELD WAREHOUSING SAFEGUARDS Your Working Capital Loans

Many Banks find that they can convert many of their existing open line credits into secured loans and make More Loans and Larger Loans Safely, when their customer's marketable inventory (of raw or finished merchandise) is Collateralized through an experienced and responsible Field Warehousing Company.

By our sound, flexible and economical method of setting up actual warehousing operations on the premises of your customer's business establishment, the resulting inventory collateral becomes a most acceptable security to both Borrower and Lender.

Your Protection

1. Value of the Merchandise.
2. Our Ability and Know-How supported by our Warehousemen's Legal Liability and Employees Fidelity Bond, underwritten by the Hartford Accident and Indemnity Company.
3. Our Record Stands!—Not one dollar of loss to Lending Agent, Bonding Company or Ourselves.



WRITE TO NEAREST OFFICE (Complete Information given—No Obligation)

Field Warehousing Division

ST. LOUIS TERMINAL WAREHOUSE CO.
SERVING INDUSTRY FOR TWENTY YEARS
GENERAL OFFICES: ST. LOUIS MO.
CINCINNATI • KANSAS CITY
CHICAGO • DALLAS • MEMPHIS

To men under 40 who WANT TO BE BRANCH MANAGERS IN 4 YEARS

Our 94-Year Old Company is ready for further expansion. Since 1940, sales per man have more than doubled. And since our business has no reconversion problems, our post-war expansion plans are already under way. This creates unusual opportunities for young men, especially war veterans, to become leaders in the growing sales staff of a nationally advertised company.

The Men We Want should combine an aptitude for sales work with a capacity for managerial responsibility. Previous experience, however, is not essential for we are equipped to train and develop such men (in four to five years) to head up our sales offices. Branch managers now holding similar positions are earning salaries that average in excess of \$10,000 a year.

Men most likely to be chosen have been college trained, are married, and are under age 40. They are ambitious to become business leaders in the communities they serve. They are men who today are doing less important work than they should be doing.

To such men, we offer a chance to become branch managers for a company that has served the American public with success, for nearly a century. The stability of our business is indicated by the fact that sales are good in times of war or depression, as well as in times of peace and plenty. Possible earnings are limited **ONLY** by your own capabilities. And for your later years, retirement benefits are assured.

If you are a good organizer and have potential ability to teach and inspire others to be successful in sales work, you will want to know more about the possibilities of a profitable lifetime career with us. A note will bring you full information. Write today telling us something about yourself. All inquiries will, of course, be kept confidential.

Address C. L. Morse, Box 518, Banking, 22 East 40th St., New York 16, N. Y.

WASHINGTON

(CONTINUED FROM PAGE 60)

of \$25 a week 26 weeks to those out of work. As in the case with the Full-Employment Bill, that measure awaits House action, and House leadership is critical.

Government Reorganization The reorganization proposal of the President, as outlined in his message, is achieving congressional acceptance, more than some of the other bills.

The House has passed a measure giving the Chief Executive considerable leeway in revising, revamping and consolidating executive agencies of the Government.

While one of the bank supervisory agencies was given limited exemption, the Federal Reserve Board, and presumably the Comptroller of the Currency within the Treasury Department, could be shifted about. The Federal Deposit Insurance Corporation cannot, under present plans, be disturbed, except under some special plan which would have to be individually presented.

This would permit Congress to exercise a veto power, should it choose to do so. The Securities and Exchange Commission, the Interstate Commerce Commission, and several other bipartisan boards, are definitely placed beyond the efforts of White House planners.

It is a fact that FDIC exercises considerable influence in Congress. It is a favored agency. Much of this is due to the personal popularity of Leo T. Crowley, long the chairman. Whether his successor will continue to inherit such influence is regarded as problematical.

"Well, folks, we've had our fun. From now on it's the customer who's always right again!"



Deposit Insurance When Mr. Crowley resigned from his many positions in the Government, his letter made it unmistakably clear that he hoped the President would continue past policies. He went further. He told the President the success of the FDIC was due to the fact that it had adhered to its single task of insuring sound banks. He warned against insurance policies which could in any way be tied to monetary policies. He thus referred to a long-continued argument that bank examinations should, in effect, be lenient during hard times and tough during good times. Such a program has been favored by Reserve Board Chairman Eccles.

In connection with deposit insurance there is flowing into the FDIC letters from bankers urging a reduction in the premium they now pay. It is argued that since the FDIC is to soon become a billion dollar corporation, it is time to lower the premiums as an aid to banks which in effect own the corporation. Coupled with the proposals are plans outlined for paying off the early "stake" which the Treasury provided and the

Pipe-smokers never weary of Walnut



With that
rich, natural, nutty flavor

Write for free booklet: "The Choice of Experience." John Middleton, 1277 Walnut Tobacco St., Phila. 7, Pa.

Custom-made for the Carriage-trade
since 1856

Reserve banks subscribed, to establish the FDIC. Mr. Crowley has not frowned upon such suggestions. In fact, a few weeks ago he asked banks to report on the percentages of their deposits which are insured for \$5,000, for \$10,000, and upwards.

One of the well-known differences existing between the Reserve Board and the FDIC relates to enforcement of the former's Regulation Q. This pertains to par clearance. Southern banks have sharply, and at times bitterly, opposed the elimination of exchange absorption. However, the regulation is now in effect, and there is no indication here that there will be any early relaxation.

The GI Bill of Rights Of special importance to banking is the so-called GI Bill of Rights and the revisions, now in process of being made. These revisions are likely to be along the lines formally proposed by the American Bankers Association and General Omar Bradley, Veterans Administrator. In general, they provide for greater elasticity in lending procedure without breaking down safeguards in the making of loans. Meetings called by the American Legion, to which the A.B.A. was invited, and officials of life insurance companies and savings and loan associations and mortgage lenders, provided for an initial clearing of ideas having to do with veterans' loans. As a result, no serious differences now exist in amending the law so as to provide for the proper extension of bank credit to veterans.

Bank Holding Companies Among the more technical measures before Congress, not immediately likely to become law, is legislation to curb bank holding companies. There still remains the Reserve Board-endorsed bill, introduced by banking committee chairman Senator Wagner and Representative Spence. In addition there has been presented an amendment to the Clayton Act, which the Reserve Board has also endorsed. This provides that there shall be no transfer of assets between banks without the permission of the specific government agencies which supervise the banks. Preliminary hearings have been held at which Reserve officials testified, but no definite action was taken. It has been indicated, however, that opposition exists. There are numerous other bills, of lesser importance, but this Congress is reconversion minded and is giving first attention to those problems likely to smooth the path to prosperity.

By the Way

It is interesting to note that when God made man he didn't arrange any of the joints of his bones so he could pat himself on the back.

It is reported by scientists that man's jaw has dropped half an inch in several thousand years. That's not so bad when you consider the Government budgets he has faced.

The pessimist says when a diplomat lays his cards on the table it's a good idea to count 'em.

A government bureau often turns out to be a group of people organized to keep the taxpayers worried.

How can the United States be isolationist when every day its interest in Europe grows?

Effective co-ordination

of all departments assures rapid, efficient handling of every type of banking transaction. You are invited to use any or all of our facilities.

CITY NATIONAL BANK
AND TRUST COMPANY of Chicago
208 SOUTH LA SALLE STREET
(MEMBER FEDERAL DEPOSIT INSURANCE CORP.)



CONDENSED STATEMENT FIRST NATIONAL BANK IN ST. LOUIS

At the Close of Business, March 20, 1945

RESOURCES

Cash and Due from Banks	\$106,591,008.85
U. S. Government Securities	243,941,858.98
Loans and Discounts	83,983,475.06
Other Bonds and Stocks	5,576,650.83
Stock in Federal Reserve Bank	501,000.00
Banking House, Improvements, Furniture and Fixtures	388,951.85
Other Real Estate Owned	1,067,005.00
Customers' Liability a/c Letters of Credit, Acceptances, etc.	1,056,366.20
Accrued Interest Receivable	939,351.64
Overdrafts	3,045.27
Other Resources	3,287.10
	<hr/>
	\$444,052,000.78

LIABILITIES

Capital Stock	\$ 10,200,000.00
Surplus	6,500,000.00
Undivided Profits	7,177,186.50
Reserve for Contingencies	500,000.00
Reserve for Taxes, Interest, etc.	1,339,066.49
Unearned Discount	94,015.41
Liability a/c Letters of Credit, Acceptances, etc.	1,079,107.96
Other Liabilities	166,409.14
Individual Deposits	\$223,248,506.48
Savings Deposits	44,487,708.25
Bank Deposits	107,107,991.29
U. S. Government Deposits	38,263,167.49
City of St. Louis and Other Public Funds	3,888,841.77
	<hr/>
Total Deposits	416,296,215.28
	<hr/>
	\$444,052,000.78

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



this is the girl who never
worked before ...

this is the machine
she mastered



and this is the time



it took her

● It is quite commonplace! Because of an entirely new mechanical principle, inexperienced operators have learned to operate the National Posting Machine for checking accounts in less than two hours.

Everything has been completely simplified . . . keyboard operation, insertion of forms, and method of printing. Operational fatigue is reduced.

There is positive protection against error. The machine makes accuracy compulsory.

No matter what type of ledger posting operation you use . . . unit or dual plan . . . this machine will handle either of them equally well.

The National Ledger Posting Machine saves you money, too. Elimination of carbon journal rolls means

real savings. Depositors' statements are always neat and clean, since figures are perfectly aligned, both vertically and horizontally.

There's a National for every bank and every banking job.

Whatever the size of your bank, you'll find a National system to meet all your needs. Why not talk things over with the National representative? He will help you gain maximum economy and speed up service to customers at the same time. There is no obligation. Call your local National representative, or write The National Cash Register Company, Dayton 9, Ohio. Offices in principal cities.

National

CASH REGISTERS • ADDING MACHINES
ACCOUNTING-BOOKKEEPING MACHINES

THE NATIONAL CASH REGISTER CO.

Nothing Ever Happens

I. I. SPERLING

The author is advertising manager of The Cleveland Trust Company.

GOSH," yawned Joe Kolka as he pulled on his shoes, "I wish I didn't have to go to the bank today. That guard's job is getting my goat—always the same old thing—questions, questions. 'Where do I go for this; where do I go for that?' Nothing exciting or different. Wish I'd been younger or not married so I could have gotten into the Air Corps. No standing on my feet all day, and besides that's where the real excitement and adventure was. That's where you saw life."

"Now, Joe," his wife protested weakly as she poured his breakfast coffee and supervised the children's preparations for school. She had listened to Joe's frustrations for years and was used to them by now.

Joe gulped the coffee, ran for his bus and rang in on the bank time clock. After the usual tussle, he and the other guard got the massive bronze inner grill-gate open.

With the first rush of customers, his daily inquisition started. His first questioner was a woman, clearly foreign-born to judge from her faltering use of English. Her eyes seemed to be unusually red.

"My Paul was killed," she said tremulously, fumbling in her purse and handing him the crumpled, tear-stained telegram that began: "The War Department regrets to inform you—" "They send me his medal," she said. "Where I keep it? I no want to lose it." He directed her to the safe deposit department.

"Hello, Bill," he greeted a war worker he recognized as a regular depositor.

"Hi, Joe," responded Bill. "Gee, am I glad I kept socking it away while I was making it. Don't know how long this layoff is going to last."

The youthful couple that next approached Joe were obviously newlyweds. A bright new war veteran's button shone in the lapel of his new coat. "We saw your ad about loans to ex-soldiers to buy homes," the husband said. "Where can we find out more about them?" Joe sent them on to the proper department.

In rapid succession he was approached by eager people, seeking loans to send children to college, to buy some of the automobiles and home appliances al-

ready released by war's end, to send money to sons and daughters still in service abroad. Other questioners were business men wanting to borrow money to cash in on the opportunities of the post-war period; lawyers and their clients for the trust department; white collar workers wanting to open modest savings accounts or buy Victory Bonds to supplement Social Security and their

employers' pension plans; excited vacationers long-denied travel by the war, anxious to buy tours again.

THAT night Joe dragged himself wearily home.

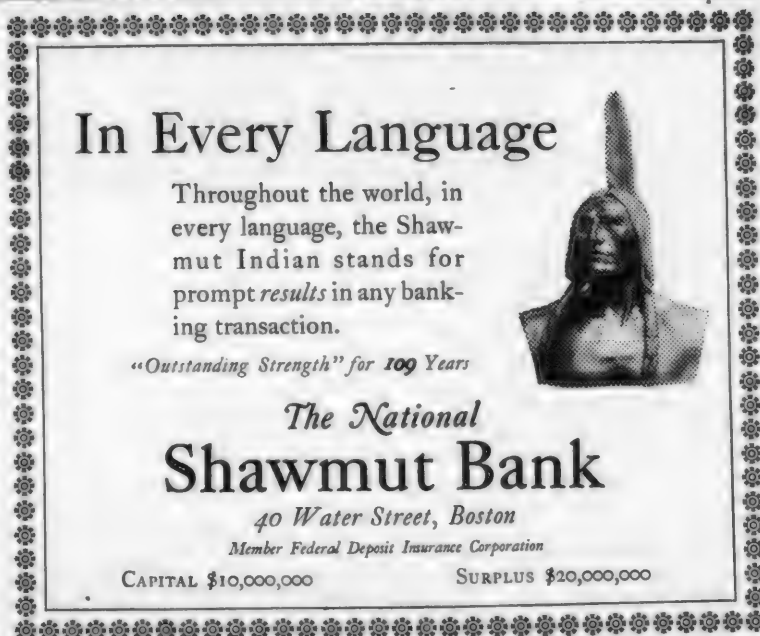
"That you, Joe?" his wife called from the kitchen. "How did it go today?"

"Same old thing, nothing new. What's for supper?"



For Complete
Correspondent Service
in Atlanta

The
Fulton National Bank
of Atlanta
ATLANTA • GEORGIA
Member of the Federal Deposit Insurance Corporation



In Every Language

Throughout the world, in every language, the Shawmut Indian stands for prompt results in any banking transaction.

"Outstanding Strength" for 109 Years

The National
Shawmut Bank
40 Water Street, Boston
Member Federal Deposit Insurance Corporation
CAPITAL \$10,000,000 SURPLUS \$20,000,000

Our Address is Texas But our Service is National

IT'S NOT ALONE our resources of over 180 million dollars which make us one of Texas' largest banks. Or a statement of condition that would cheer any banker's heart.

It is, more simply, our way of working together and going-places-together with our customers. Oil, cotton and manufacturing industry call it "looking out for our interests." Sweet old lady customers call it "being so nice . . . being warm and friendly like a field of Texas bluebonnets."

Bankers the nation over have found our Correspondent facilities sound as a dollar, friendly as a porch-to-porch conversation. Let's try and get acquainted.

The National Bank of Commerce OF HOUSTON

Gulf Building, 712 Main Street

"The Bank of Courtesy"

WARM FRIENDLY BANKING AND TRUST GUIDANCE

Where growth is recognized
as an opportunity
for greater service.

AMERICAN NATIONAL BANK at Indianapolis

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MEMORANDUM

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ARCHITECT
20 EXCHANGE PLACE
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Will Consult
With You and
Your Architect
On Your Post-War
CONSTRUCTION PLANS

Victory Loan

(CONTINUED FROM PAGE 72)

meetings, presided over by section heads, at which the particular programs of each section were discussed in detail. I am happy to state that the bankers' group meetings were the best attended, with anywhere from 50 to 200 present, but perhaps this was natural because so many of the delegates were bankers. And may I say also that we received everywhere the fullest cooperation from the secretaries of state bankers associations.

"Stan Prenosil opened the bankers' group meeting with a brief introductory address, thanking the bankers for their cooperation and outlining the problems faced by the bankers in the coming drive. Messrs. Lindow and Tickton then showed some new charts, not shown at the morning session. The meeting was then turned over to me, and was conducted in the nature of a bankers' clinic.

WE GENERALLY called upon a city banker and a rural banker, who had done an outstanding sales job in previous drives, to tell their stories, and we brought out some amazing and amusing stories. At our Milwaukee meeting, for instance, there was a small banker in a community of two hundred persons who had personally solicited the heads of families in all war loans. He knew their financial condition and they trusted his judgment, so he explained that when the Seventh War Loan came along, he didn't bother to call upon them—'just charged their accounts with what I thought they should buy, and delivered the bonds.'

"On the basis of this and similar stories we heard, and our private conversations with bankers in all the cities we visited, I feel confident that the banks of this country will do another outstanding job in the Victory Loan. They understand the Government's need for the money, they know where the money can be obtained and are prepared and willing to ask their customers to lend it, and they fully realize the importance of individuals taking a large share of this loan to assure a stable post-war economy. I am very proud of the important role that the bankers have played in this war financing program, and it has been a real pleasure to plan and work with them in putting over this last big financing job of the war."



What Home Builders Want

(CONTINUED FROM PAGE 75)

cent of those planning homes costing less than \$5,000 to 29 per cent of those planning homes costing \$10,000 or more.

Among those who will require financing, more than 40 per cent had rather definite ideas as to the type of mortgage arrangements they preferred. In one survey, the preferred mortgage was described as FHA or similar type. One survey found that 90 per cent of prospective home owners who expect to need mortgage financing want a monthly amortized plan. The amount of the monthly payment people expect to make indicates that they anticipate including taxes and perhaps other items as well as debt service charges.

WHILE a surprisingly large group of prospects seems to be fairly well posted on home financing, which is an indication that mortgage lending agencies have done a good educational job, an equally large group is either vague or ignorant about home financing facilities. This means that the educational job is not complete.

When queried as to what they thought offered the biggest chance for reducing home ownership costs, less than 20 per cent mentioned mortgage interest rates. The great majority felt that building costs could be reduced however.

The Curtis survey, in asking prospective owners where their first point of contact in acquiring a home would be, obtained the following response: Real estate agent, 31 per cent; builder, 20 per cent; architect, 18 per cent; bank, 11 per cent; building material dealer, 5 per cent; miscellaneous, 15 per cent.

Included as banks in this list are lending agencies of all types. The fact that lenders have been successful in establishing themselves as centers of information for at least 10 per cent of the market is encouraging and indicates perhaps that home planners clubs and other promotional efforts of banks are bearing fruit. By a continuation of this program and by establishing friendly, cooperative relationships with the four other groups mentioned above, banks will be in a position to develop mortgage business regardless of original point of contact.

Conclusion

Obviously what people say or think they will do at some future time does not provide any assurance as to what they will do. While neither survey was designed to answer all questions or to

provide a chart that will be followed precisely, both surveys serve a very useful purpose. They provide a pattern for conducting local surveys, and standards by which findings may be judged. They indicate that the home buying public is eager, sensible, thrifty, realistic, and well informed. Home buying prospects appear to have qualifications that will make them desirable mortgagors.

The potentials of the home market will, of course, be controlled by the economic health of the country and by the price structure the building industry is successful in establishing. The industry is keenly aware of its opportunity and its responsibility.

Surveys such as these are contributions to the cause of better all round understanding that must exist between builders, suppliers, architects, brokers and bankers if the coming decade is to be memorable for the progress made in providing homes for Americans.

England Buys a Bank

(CONTINUED FROM PAGE 47)

The Labor Government has not yet expressed itself on the two institutions described above. Whether it will be satisfied with them no one can say with assurance, but the City of London does not anticipate that the Labor Government will bypass these two new institutions or set up still another lending body, merely for the sake of doing so.

It is of course expected that the Government will keep its promise to create a National Investment Board, but that board will have only planning and statistical functions, and according to well-informed observers in London is not likely to have any lending authority.

Mention should be made here of another Coalition-Government measure, the Distribution of Industry Act. It represents the effort to prevent intensification of industrial congestion. The act brought into existence the Development Areas Treasury Advisory Committee, to advise the Treasury on making grants or loans within the scope of the act so to induce concerns to establish in distressed areas. This is the only significant instance of the Government entering the lending field.

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1859

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A Mortgage Merchandising Plan

ANNOUNCEMENT of a complete mortgage merchandising plan has been mailed by the Advertising Department of the American Bankers Association to more than 5,000 bank mortgage officers.

The program, developed by the department in consultation with the A.B.A. Department of Research in Mortgage and Real Estate Finance, can be used as a complete unit or can be combined with or adapted to any promotional plan already in use. Its aim is

to enable banks to attract mortgage business by establishing themselves as centers of information on home ownership.

Suggestions for building a prospect list of potential home owners as a market for the service emphasize the possibilities among the banks' own depositors and the customers of its departments, who often go elsewhere for home loans because they are unaware of the services offered by their own banks. Included in the kit are suggested letters for this

purpose, as well as newspaper ad mats and posters for developing public participation.

AFTER a careful survey of the material suitable for bank distribution to prospective home owners, the mortgage research department recommended a series of bulletins published by the Small Homes Council of the University of Illinois. These bulletins are written in layman's language and cover such subjects as site and neighborhood selection, site preparation, home planning, landscaping, heating, kitchen planning and home financing.

The bulletins are authoritative and unbiased; one a month will be selected for distribution over a year's period. The front page is available for each bank's message in letter form. Although suggested copy is furnished it is recommended that banks use their own material and thus tie the bulletin service to their program.

In addition, banks using the service will receive monthly releases describing advertising booklets and other promotional material currently available, together with information as to procuring it.

Bank mortgage officers receiving the announcement included those who requested copies of the booklet, "Mortgage Loan Advances During Construction," recently published by the Department of Research in Mortgage and Real Estate Finance.



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BANKING

North of the Border

THE first peacetime national budget to be presented anywhere is that placed before the Canadian Parliament on October 12. True, this budget is a sort of mid-stream affair, for it accounts for half of the fiscal year, April to September, and projects for the remaining half. Parliament was adjourned last Spring before revenue and expenditure estimates could be submitted. But a fairly complete reckoning can be made.

The budget has some unique features, apart from its presentation before all war issues had been settled. It serves, in some respects, both as a warning and as a pattern for other countries. It shows clearly that war expenditures cannot be eliminated altogether when the "cease fire" order is issued. Indeed, the budget brings unmistakably into view the fact that many war costs—an increased interest charge on a higher national debt, for example—are perpetual, and therefore that ordinary governmental expenditures will always greatly exceed those of pre-war times. In Canada they will be at least double those of 1939.

THIS budget serves as an object lesson in another way, namely, that telescoping heavy social welfare commitments into public accounts still heavily weighted with unsettled for war costs swells the total unduly. Canada is shouldering some exceptional welfare expenditures (which eventually will run into several hundred million dollars per year) before she has cleaned up all her war accounts, such as demobilization expenditures, which probably will require nearly a billion dollars. Almost as much may be required for foreign credits to provide outlets for Canada's large surplus of exportable products (about 30 per cent of all production) and for exchange stabilization. So with these and other commitments the Government's total cash requirements for its fiscal year ending next March are estimated as \$5,400 million, \$300 million below those of the preceding year, but large enough to necessitate the best financial management. The requirements for the next year are officially estimated as about \$4,000 million.

In the face of these heavy requirements the Government has boldly announced some rather sweeping tax reductions, which other countries will probably try to follow. Personal income taxes are cut immediately by 16 per

cent "straight across the board," that is, in all income brackets, from the lowest to the highest. The Government reached the conclusion that in a period when it wished to encourage the fullest expansion of employment and income the 100 per cent rate under the Excess Profits Tax Act cannot reasonably be maintained. As an interim step towards

the ultimate abolition of the excess profits tax, it is proposed to abolish the 20 per cent refundable portion of the excess profits tax and to reduce the rate on excess profits to 60 per cent, effective January 1 next. Some 12,000 small business firms are to be relieved entirely of the excess profits tax, and many others will pay lower taxes. It is pro-



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posed also to exempt from sales tax machinery and apparatus (not including office equipment or motor vehicles) which are to be used directly in the manufacture or production of goods.

From an American point of view the most interesting move is the removal of a war exchange tax of 10 per cent on all non-British Empire products. This tax arose early in the war owing to a scarcity of United States dollars in Canada and was of course directed mainly at non-essential American imports. Its removal will not only broaden somewhat the Canadian market for American exporters but will, also, narrow differentials in prices in the two countries.

The changes which have taken place since August are bringing the two countries back to more normal trade.

Canada's trade account with the States probably can be kept in fairly close balance for some time yet. Her exports of armament to the United States are practically ended, while those of foodstuffs and metals will undergo a considerable decline. The prospect is, however, that Canada's exports of pulp, paper and lumber to the American market will continue on a large scale. It is probable, also, that gold shipments will increase steadily, while net tourist receipts may soon return to the pre-war level of about \$70 million. American exports to Canada have of course shrunk with the decline in inter-American war business. Under such conditions Canada should be able to meet her heaviest net payments to the States, interest and dividends, of over \$200 million per year.

Statement of Ownership

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACTS OF CONGRESS OF AUGUST 24, 1912, AND MARCH 3, 1933, OF BANKING, published monthly at New York, N. Y., for Oct. 1, 1945.

I, State of New York, county of New York, ss. Before me, a Notary in and for the State and county aforesaid, personally appeared William R. Kuhns, who, having been duly sworn according to law, deposes and says that he is the Editor of BANKING, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, The American Bankers Association, 22 East 40th St., New York 16, N. Y.; Editor, William R. Kuhns, 22 East 40th St., New York 16, N. Y.; Managing Editor, None; Business Manager, John J. Rooney.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given). The American Bankers Association, 22 East 40th St., New York 16, N. Y. (A voluntary unincorporated association of banks); Frank C. Rathje, Chicago City Bank and Trust Co., Chicago 21, Illinois, President; Harold Stonier, 22 East 40th St., New York 16, N. Y., Executive Manager.

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WILLIAM R. KUHN, Editor

Sworn to and subscribed before me this 12th day of September 1945.

Elizabeth Rautanen, Notary Public, Bronx County, Bronx Co. Clk.'s No. 17, Reg. No. 136R6, New York Co. Clk.'s No. 575, Reg. No. 333R6. Certificate filed in Westchester County.

(My commission expires March 30, 1946.)

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THE CONDITION OF BUSINESS

By WILLIAM R. KUHN

THE OUTLOOK. Distance usually lends enchantment to the business picture and the present time is no exception. For example, take the outlook for 1946. It is certainly better than would appear from a too close reading of contemporary happenings. The trouble is that apprehension has become a habit. It is a natural hangover from the past 10 or 15 years and business is inclined to dwell on the bad and expect the worst.

Yet the war's over, really over, and we are not likely to have another one for a while. Surely if we were able to get through this completely savage conflict, with leaders on both sides avoiding any real use of deadly gas, it is reasonable to assume that the atomic bomb will inspire even more caution. This instrument would not only threaten everyone but would quickly endanger the very lives of those responsible for leadership.

Vacuum of Demand

Therefore, without under-rating in any way the seriousness of strikes, diplomatic tempests, worldwide inflation and creeping socialism, the picture is first of all one of peace, hard work and considerable interest.

There will of course be plenty of sparring around on domestic and international problems but this will not stop commerce and industry from finding a way to fill the tremendous vacuum of human wants.

These Mean Business

Among the elements that logically lead to an expansion of business are productive capacity plus demand plus liquid savings.

All three of these are at the highest point ever known in this country and this is a circumstance from which certain deductions should be possible. So with full realization that there is not much affinity between logic and behavior, here are a few selected guesses as to the next year or so:

(1) The economic prestige of the United States will rise to unprecedented heights. There will be two kinds of groups visiting us in force from abroad. One will be salesmen and agents of foreign producers, including those from socialistically inclined countries, attempting to sell in this market. The other will be business, industrial and political leaders, including those from socialistically inclined countries, aiming to see how our fairly private enterprise system works, and wishing to buy in this market without much in the way of money.

(2) We shall approach international questions more and more from the standpoint of our own interests,

frankly and realistically. This will be a result of the normal reaction from recent years coupled with the influence of returning veterans. It is an attitude that will be easily understood by other countries, less puzzling to them, and it should enhance our self-respect.

Many Opportunities

(3) There will be less grand talk about free enterprise and more of the real article. There will be opportunities galore and plenty of competition of course. In fact the door will be wide open, or rather, many doors will be open to the individual with plans.

(4) Business will be allowed to come in and see what is going on and not have the feeling of trying to watch the Government through a knothole.

(5) The lowering of trade barriers and a shift toward free competition between countries will replace to some extent the present artificial basis of foreign commerce. Questions of export and import will be decided less and less by who-sits-next-who at a Washington table.

Greater Business Responsibility

(6) Business will be inclined to accept more responsibility for assuring steady work and pay. The practice of casually firing people and letting the Government take care of the unemployed will be seen for what it is—a handsome, engraved invitation to the eager forces of socialism. Business will certainly get to work on this problem in cooperation with the leaders of government and labor.

(7) Big business will also be more disposed to recognize a responsibility for the development of small independent concerns. One of the results of the wartime experience of big industries with subcontractors has been to demonstrate the far-sighted wisdom of this type of decentralized operation.

(8) A new sense of responsibility on the part of many labor organizations will be reflected in changes in union policies to encourage more free play of individual opportunity and competition.

(9) There will be a tendency for business organizations of every kind to strengthen themselves in order to preserve the balance against organizations which are opposing and working actively against private business.

(10) Public opinion will compel greater economy in government because the foolishness of reducing taxes, spending billions of deficit dollars and asking the public to save, all at the same time will become apparent.

This last one really takes an optimist of the first order.

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